

January *NATION'S* 1947

BUSINESS



CIRCULATION OF
THIS ISSUE

553,049

••••• NET PAID

Charles De Fea

problem...

solution

Unsightly cracks often mar the gleaming beauty of even fine lacquer furniture finishes after continued exposure to sunlight or low temperatures. To make furniture lacquers more durable, Hercules developed Cellolyn 102, a new resin designed specifically for use in these finishes. Lacquers containing this new ingredient now provide more lasting beauty for furniture in all price ranges.

result...



* TO MAKE FURNITURE LACQUER MORE DURABLE... another development utilizing Hercules chemical materials as described in the free book, "A Trip Through Hercules Land."



HERCULES

HERCULES POWDER COMPANY

947 Market Street, Wilmington 99, Delaware

CHEMICAL MATERIALS FOR INDUSTRY

A development of
B.F. Goodrich
FIRST IN RUBBER



Auto-Railer is a registered trade mark of Evans Products Co.

New kind of tire rides on rails or roads

OLD railroad hands thought they were seeing double when this vehicle first drove down the highway, turned onto the railroad tracks and kept right on going. This new Evans Auto-Railer unit is equally at home on the rails or on the highway.

Before the vehicle made its first train trip, many problems had to be solved. Important among them was this: how and where to get tires that would do a regular highway trucking job, yet would stand the gaff of riding steel rails. No such tire existed. So designers put it up to B.F. Goodrich. The tire you see above is the answer.

It has an extra-strong body to carry

heavy loads. It has a special tread design that gives unusual tractive and braking ability in all kinds of weather. In fact, these tires are more than $3\frac{1}{2}$ times as effective on rails as steel wheels under like conditions.

With the tire problem solved, Auto-Railers go most anywhere — cross country to pick up supplies, down the rails to deliver them. Even small locomotives have been built on this principle. Savings to railroads are tremendous. One vehicle and one crew often do the work required of rail equipment and a truck — two crews.

This development of a special tire for a special purpose is typical of B.F. Goodrich research. For B.F.

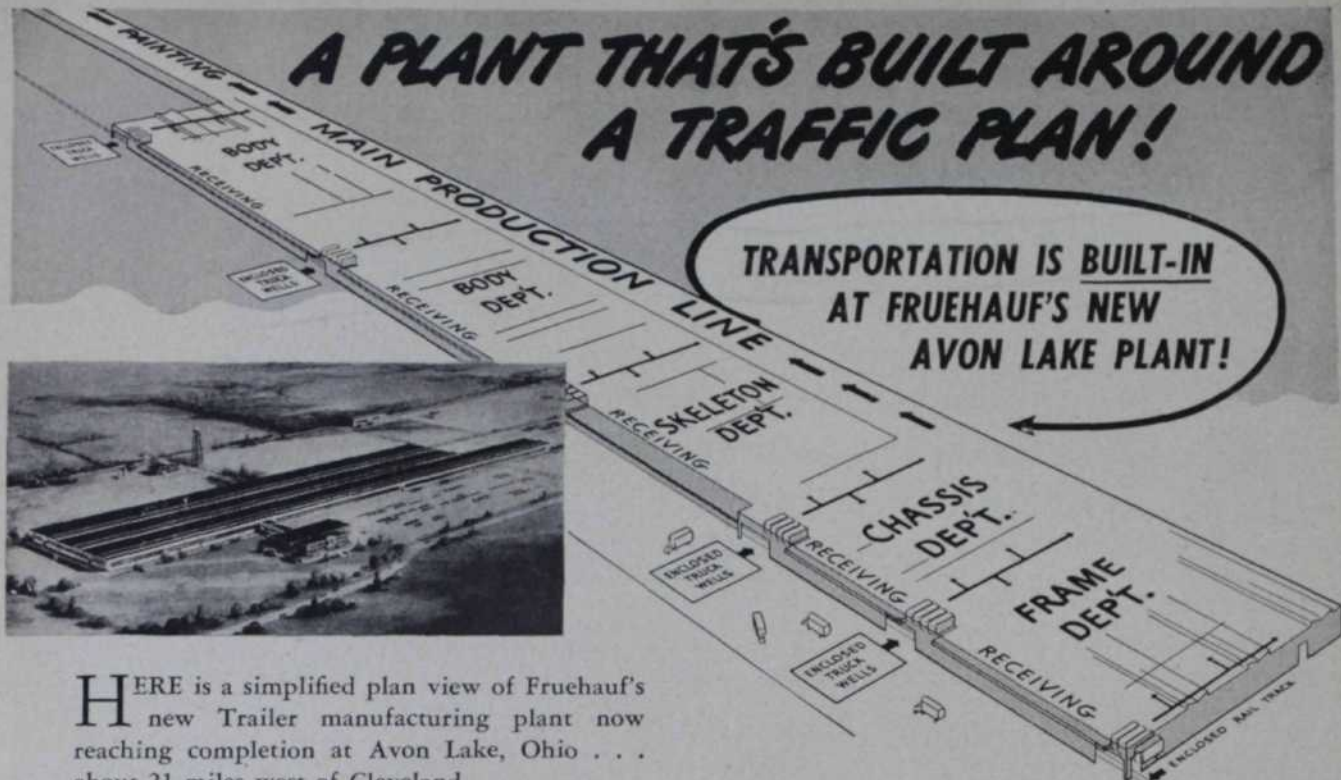
Goodrich engineers have developed tires for many special uses—from coal mines to oil fields, from logging camps to powder plants. They've brought about constant improvement in tires for everyday jobs, too, on trucks, cars, airplanes, and farm equipment. When you buy from the B.F. Goodrich dealer, you are assured of tires backed by this policy of constant improvement. *The B.F. Goodrich Company, Akron, Ohio.*

Truck Tires BY

B.F. Goodrich

A PLANT THAT'S BUILT AROUND A TRAFFIC PLAN!

TRANSPORTATION IS BUILT-IN
AT FRUEHAUF'S NEW
AVON LAKE PLANT!



HERE is a simplified plan view of Fruehauf's new Trailer manufacturing plant now reaching completion at Avon Lake, Ohio . . . about 21 miles west of Cleveland.

Traffic in this new plant was planned *before* the blueprints were drawn! Traffic flow . . . both internally and externally . . . is directly coordinated with production at every stage. Every spot on the factory floor is within a minute's reach of loading platforms by mechanical handling devices.

LOADING PLATFORMS ACCOMMODATE 24 BIG TRUCK-TRAILERS!

One entire side of the factory building . . . nearly a half-mile in length . . . consists of *inside* receiving and shipping facilities—both truck and rail.

Six enclosed truck wells . . . each accommodating 4 large Truck-Trailers . . . are spaced at intervals along the plant.

A railroad track runs inside, the length of the building, with an outside spur track connecting at the center for switching cars.

The half-mile long receiving platform is at Trailer or rail car door level. Roadway, truck wells, approaches and rail tracks are all on one grade. Ramps are not needed.

20,000 FEET OF CONVEYORS!

Mechanical conveyors . . . overhead cranes and floor handling equipment . . . extend the length

of the dock area and travel into every part of the plant. Wide, open aisles facilitate flow of floor traffic. Materials unloaded from trucks or rail cars are carried *directly* to storage spaces at the assembly points. Similarly, outgoing shipments of parts are made directly from the assembly point. Double handling is eliminated!

"SPOT" DELIVERIES!

Purchase orders will specify the truck well or station at which delivery is to be made—so that materials will be received at the dock nearest assembly point.

Here is an outstanding example of *built-in* transportation—designed to take full advantage of the flexibility and economy of motor transport.

World's Largest Builders of Truck-Trailers

FRUEHAUF TRAILER CO. • DETROIT 32

9 Factories — 62 Factory Service Branches

YOUR TRAFFIC MANAGER AND ARCHITECT KNOW
Experience proves that by gearing Trucks and Trailers with production and distribution, a business can be operated with greater efficiency at lower cost.
Our Traffic Manager had an important part in planning the new Avon Lake plant. If you are altering or building a factory or warehouse, let your Traffic Manager and your architect work out the details together. Then you'll be sure of the right answer.

FRUEHAUF TRAILERS



ENGINEERED

TRANSPORTATION

Countin' up for 1946

It would take a lot of fingers (and toes) to count up how much the Bell System accomplished in 1946 — the busiest year in our whole history.

3,300,000 telephones added
25,000,000 more calls a day handled
\$700,000,000 new equipment made and installed
to expand and improve your service
160,000 net increase in employees — total now
640,000
\$400,000,000 increase in payroll
120,000 war veterans reinstated and employed
since V-J Day

The story of the year was one of determined progress, despite shortages and many post-war problems. And most calls went through fast.

For 1947, the Bell System aims to go forward to still better service for more and more people.



BELL TELEPHONE SYSTEM





NOW is the time to

CLEAR THE TRACK

for more profitable production

with an effective

COST CONTROL

system

Write for details

YOU'VE GOT TO SPEND MONEY TO MAKE MONEY

GEORGE S. MAY COMPANY

The World's Finest Business Engineering

840 N. Michigan Avenue
Chicago 11

122 E. 42nd St.
New York 17

291 Geary Street
San Francisco 2

660 St. Catherine Street, West
Montreal, Quebec, Canada

OFFICES IN OTHER PRINCIPAL CITIES



PUBLISHED BY

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VOL. 35

JANUARY, 1947

NO. 1

Trends of Nation's Business

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Cover painting by Charles De Feo

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The side-filing principle of Rock-a-File makes filing easier, faster, more convenient and *truly modern*. Compartments "rock" open sideways at finger touch, entire contents are instantly accessible, and compartments can *remain open*. Two or more persons can use Rock-a-File at the same time.

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Rock-a-File compartments project only slightly when open, providing same capacity as ordinary files in less than two-thirds the floor space! Standard letter and legal sizes available in choice of colors. Send coupon for details and dealer's name.



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TERMINUS

OF 3 TRANSCONTINENTAL RAIL SYSTEMS

Your plant in Metropolitan Oakland Area will be most favorably located for fast low-cost distribution to the 11 Western States.

This is the terminus of three transcontinental rail systems. Over these lines and their connections you can ship your goods to 71 per cent of the population of California, Oregon and Washington cheaper than you can ship them from Seattle and Portland.

59 per cent can be served at less cost than from Los Angeles.

Overnight delivery to California points — only 5 days to the most distant city in the 11 Western States. You can save as much as ten days over delivery from the East.

By highway, air and water the situation is just as favorable.

WRITE FOR FREE BOOK

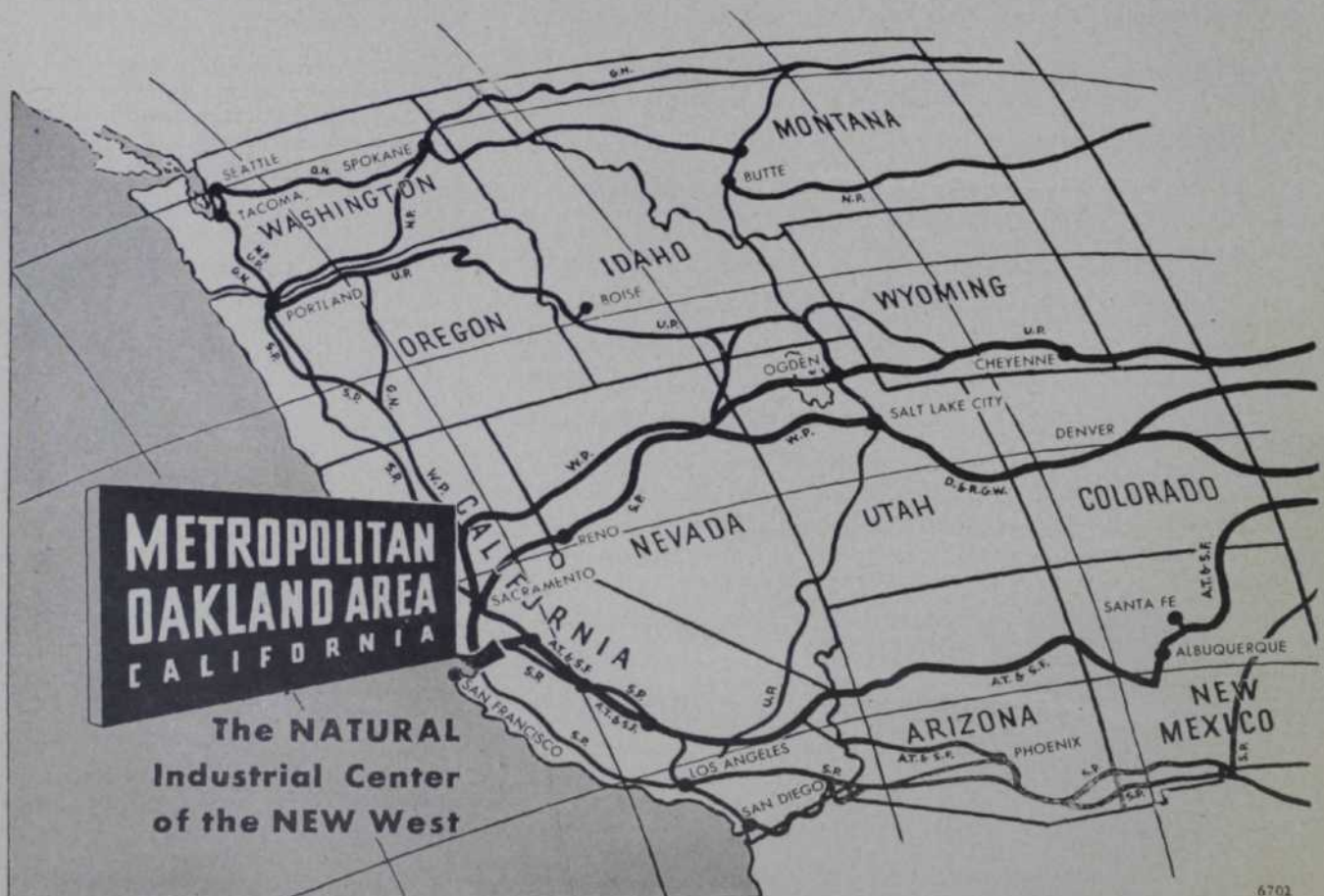
Get the basic facts and figures about the big fast-growing high-income markets of the West; our deepwater world port; Oakland Airport, third largest in the Nation; huge power supply and natural resources; labor pool; mild-the-year-'round climate.

And the many other favorable factors that help make this "The NATURAL Industrial Center of the NEW West." If you will tell us — in strict confidence — the requirements of your western operation, we will prepare a special report directly applied to your particular problems.

As the first step, ask for free booklet now.

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389 Chamber of Commerce Building, Oakland 12, California, U.S.A.



6702

ALAMEDA • ALBANY • BERKELEY • EMERYVILLE • HAYWARD • LIVERMORE • OAKLAND • PIEDMONT • PLEASANTON • SAN LEANDRO • RURAL ALAMEDA COUNTY

About Our Authors

Robert L. Duffus: is a member of the editorial board of the *New York Times*, where he also does occasional book reviews and articles for the *Times Sunday Magazine*. He is the author of numerous books—some short stories and some poetry. Duffus has A.B. and M.A. degrees from Leland Stanford and a doctor of laws from Middlebury College—and a Phi Beta Kappa key which he does not wear.

Lowell Blake Mason: is the plain-talking, tradition-breaking member of the Federal Trade Commission. Since his appointment to this body by President Truman in 1945 he has been making headlines. Mason began his public life in 1915 as assistant corporation counsel in Chicago. From 1922 to 1930 he served as an Illinois state senator. Then in 1934 he went to Washington as counsel for the Darrow Committee which was investigating the NRA. He has been there ever since.

Sam Slavisky: a newspaperman of some 15 years' experience is veterans' editor for the *Washington Post*, and one of the country's newspaper authorities on veterans' affairs. During the war he left his position as the *Post's* assistant city editor to become a Marine combat correspondent, covering action on Guadalcanal, Cape Gloucester and Munda.

Orval C. Husted: who tells why "I was Driven Out of Teaching" (page 62) says, "The 25 years of teaching experience referred to was all in the high school at Sand Springs, Okla., where I taught journalism and vocational printing. I went to this post during the wartime teacher shortage of 1918. I left that position in another wartime teacher shortage in 1943 to go into commercial writing."

Reynolds Girdler: who does "Odd Lots" (page 82) entered the investment business through the bond department of Harris Trust & Savings Bank, Chicago. He moved to New York in the '20's, became acquainted with Wall Street by working for a financial advertising firm and an underwriting house.

Eric Morrell: spent a great many years in the Orient, especially in China, where he learned about ramie. "An Old Fiber with a Future" (page 79). He became so fascinated with this fiber and its processing that he made it his hobby. He has kept up with it ever since, even to wearing ramie suits. At present, Morrell is free-lancing and writing a book about ramie.

IS THIS TRIP REALLY NECESSARY?



A Todd Payroll System Could Prevent It

The head of your Payroll Department may not be a "hospital case" but he may be on the verge of a nervous breakdown induced by cumbersome payroll methods and chronic worry about keeping records up-to-date for 7 different Government Agencies.

Small and large corporations have found a Todd Payroll System reduces overtime and keeps everybody—including the Wage and Hour Inspector—happy. A Todd Form-Master actually cuts payroll posting time a third—a half—often

more. Any clerk can post employee's statement, payroll sheet and individual earnings record in one operation. And the records are always accurate and ready for inspection.

Send the coupon for complete details.

BRIEF EVIDENCE

"One particularly beneficial result from your system is its accuracy. As to the time saved... a fair estimate would be approximately a third."

John H. Pray & Sons Co.
Boston, Massachusetts

"... our payroll now takes us approximately 40% less time than it did when we were using our old system... our records are more complete and are much more easily analyzed."

L. W. Ferdinand & Co., Inc.
Newton Lower Falls, Massachusetts



THE TODD CO., INC., Rochester 3, N. Y.

Please give me the facts about Todd Payroll Systems that speed quarterly reports, cut payroll posting time, increase accuracy and meet all State and Federal regulations.

Company _____
Address _____
City _____ County _____ State _____
By _____

NB-1-47

SHORT CUT TO—

Efficient Inter-Office Communication!



With Executone... the modern electronic inter-com... there are no hand-sets to fumble with, no dials to twirl, no batteries to go dead!

Executone automatically gives you control of your entire organization through instant voice-to-voice contact. You just press a button—and talk!

Instructions may be given, questions asked and answered, without anyone leaving his work. Executone minimizes inter-office traffic, relieves switchboard congestion, speeds up production all along the line.

Unconditionally Guaranteed! • Executone Inter-Com Systems are engineered to your requirements and unconditionally guaranteed. Installed and serviced by factory-trained specialists in principal cities. Over 100,000 installations prove Executone's dependability and leadership.

Two stations cost as little as \$61. Systems with up to 100 stations available.

Executone

COMMUNICATION & SOUND SYSTEMS

Mail Coupon for Further Information

EXECUTONE, INC., Dept. A-10
415 Lexington Ave., New York 17, N. Y.

I am interested in data on Executone.

☐ Please send literature.

☐ Have representative call. No obligation.

Name _____

Firm _____

Address _____

City _____

NB Notebook

Call for Mr. Atlas

THE first full year of peace, which has just gone into the pages of history, certainly scored a low Hooperating for serenity. It also left a sorry legacy of problems for the New Year to tackle.

Business-wise, the new Congress provides what is called a favorable climate. That may mean much or little, of course, depending upon whether constructive or negative policies prevail. A test of business and political statesmanship appears in the offing, if the widely predicted recession materializes.

Labor, prices, budget, taxes, tariff, foreign relations—1947 should not start off as a child but as Atlas himself. At any rate, may the luck in odd numbers be his—and yours!

Dream stuff

WARTIME promotion of the great things to come after peace built up public hopes for a terrific let-down. The "dream home" and the "dream car" failed to arrive, as scheduled, and citizens wax exceedingly sarcastic about the whole thing.

In this they pay indirect compliment to American industry because they have come to expect overnight miracles. But what industry was shooting for was the fastest way back to peacetime production—and the fastest way was the familiar way and not one beset with redesigning, retooling, retraining and rewhatnot.

These wartime promises, however, will be redeemed, and "it won't be long now." Plans are being pulled down from the shelf as we slide from a sellers' into a buyers' market.

Climatology

IT HAS taken quite a few years since Mark Twain's famous remark, but somebody is now going

to do something about the weather. He is called a climatologist and the war gave him his big start.

Our military men had to know not only what the weather would be on a certain date, they also had to be informed how their equipment and supplies would stand up to conditions of terrain, temperatures, humidity, wind and storms, in far-flung places on the globe.

For the services of peace the U. S. Weather Bureau has set up four divisions of its Department of Climatology to meet the needs of business and industry, agriculture, the merchant marine and the commercial airlines. Exporters need guess no longer about the packaging required for a shipment to some lone spot in Afghanistan. At home retailers, through long-range weather analysis, will be able to achieve more effective timing of purchases, deliveries and advertising.

Hoopskirt ban

ANOTHER convert to the cause of simpler business letters is the War Assets Administration which sends out more than 15,000,000 a year. This war surplus disposal agency has set up a Correspondence Management Division.

James F. Grady, on loan to the Government from a firm of business engineers, is chief of the new division. For eight years he was with the Farm Credit Administration and the Department of Agriculture. Farmers can thank him for the prompt, courteous and informative replies they receive today from these departments.

"Hoopskirt" phrases are the special target of Mr. Grady's gunning. For example, "Your letter of the 15th instant has been duly received and contents noted." Form and guide letters are used wherever practical.

The unit cost of a business letter today runs from \$1 to \$1.50 each,

so the savings run high for WAA on its 15,000,000. Since about 90 per cent of its public contact is through letters, WAA has another reason for seeing that its letters please the customers.

Quicker hands

"HOW'S tricks?" won't be just a conventional greeting between some salesmen from now on. It may be meant in a literal sense. Starting this month a service will supply one trick a month to companies that wish to equip their salesmen with a bit of entertainment for customers and prospects.

The props will be supplied by the service at a fixed fee per man, and the tricks will be originated by members of various magic cults. What the sales manager will be really wanting in the not too distant future, we are told, is the kind of magic that will put signatures on a dotted line.

P and L

CATERPILLAR Tractor Company, Peoria, Ill., is trying out a new form of profit and loss statement which breaks with tradition and may well see general adoption. As explained by William H. Franklin, controller, the use of accounting figures has progressed far beyond their original purpose of recording historical events. The public is getting a look at them, and management wants details that will help in understanding trends and movements.

What Caterpillar has done is to show volume and price effects which are not disclosed in the traditional form of statement. For "net sales" the new form gives a series of figures; first, sales at standard sales price and then sales variances analyzed by types.

The new statement deals similarly with costs.

Mr. Franklin is ready to admit that a single statement cannot explain all the manifold happenings in a business period. However, it can guide the reader to asking pertinent questions if he does not already know the answers.

In the eye

TO ILLUSTRATE his talk upon color as a management and personnel aid, C. E. Seghers, color consultant of the Pittsburgh Plate Glass Company, told of an office manager who had changed a drab office to a cool and relaxing blue.

The painting was done in August. When winter came the girls complained of feeling too cool. The

*Service is the rent we pay
for our space on earth.*

—LORD HALIFAX



Have You Paid YOUR Rent?

TODAY government price controls remain on just three things: sugar, rice and rent. But, fortunately, control over the latter does not include the rent to which Lord Halifax refers. There is no measure of the service a man may give his family, his community or his country. The sky's the limit.

And, fortunately, there are many ways in which this earthly rent may be paid. One of them is by active participation in our country's service-minded institutions, among which the local Chamber of Commerce is a leader.

The Chamber of Commerce in your community is no exception. Its members, your fellow citizens, are working together to make your town a better place in which to live . . . and work.

▶▶ NO MATTER how good your Chamber manager is, he can't do his most effective work without your help. Ask him what you can do. Then if you want to dig deeper into the possibilities of Chamber work, read "Local Chambers, Their Origin and Purpose." Ask for a copy. It's free.

**Chamber of Commerce of the
United States of America
WASHINGTON 6 • DC**



Would LOW-COST MONEY help your business make more profit?

This book tells how your
business can obtain

\$10,000

\$100,000

\$1,000,000

or more...quickly...without
worries about renewals...and
at much lower cost than you think.

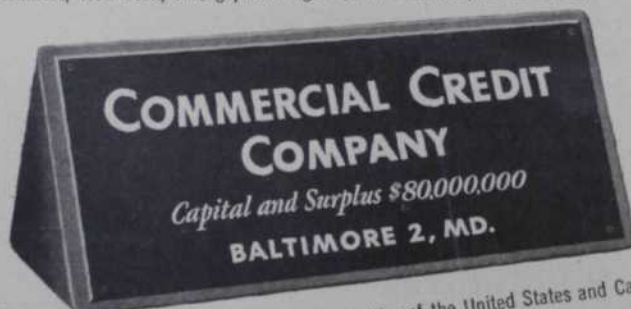


Send today for our new book, "A Better Way to Finance Your Business." Learn how little money costs, how much more you can get and how long you can use it, under our Commercial Financing Plan. You may find the cost so low that you would have to secure a rate of 4% per annum, or less, on a commercial time loan to keep the cost comparable.

Our book gives you dollars and cents comparisons of the low cost of money under our Commercial Financing Plan vs. Time Loans... with case histories of growth and profits customers have realized through our plan. It tells how the plan operates without restricting your management or interfering with your operations... how it frees you from worries about renewals, calls and periodic clean-ups of your loans.

Manufacturers and wholesalers have used our plan to a total of more than *One Billion Dollars* in the past five years... because they have found it more liberal, more flexible, more conducive to progress and profit. Whether you need thousands or millions... it will pay you to read "A Better Way to Finance Your Business." Write the nearest office below for Booklet C.

COMMERCIAL FINANCING DIVISIONS:
Baltimore, New York, Chicago, Los Angeles, San Francisco, Portland, Ore.



Financing offices in principal cities of the United States and Canada

thermostat was boosted from its normal 70 to 75 degrees but still the girls complained.

The color scheme of the room was changed to warm yellow. The girls were now too warm, and back went the thermostat to 70.

One of the astonishing results of the new code called Principles of Color Dynamics had been demonstrated.

Office incentives

INCENTIVE pay in plant and factory is an old story. Its application to office workers is newer and the results astonishing.

Thus, R. S. McKenzie, chief industrial engineer of the Atlantic Refining Company, reports a production increase of 52 per cent from six office installations by his company. A reduction of 20 per cent in net labor cost, he says, is normal expectation with many cases doubling this figure.

Public service

TO THE hard-headed company official who believes in staying on that straight track to profits, public service advertising may look way off the roadbed. He does appreciate, however, what dealer co-operation and good will means. Therefore, he might be interested in the experience of Thomas J. Lipton, Inc., with a radio network program called "Hunger Marches On," a public service offering at the peak of the Famine Relief Drive sponsored by the Advertising Council. R. B. Smallwood, Lipton president, reports among other things:

"The very pleasing by-products of this effort, which was not a part of our purpose, were the very fine dealer cooperation and the many unsolicited evidences of public good will for our company.

"We feel no campaign designed for the purpose ever could have *bought* such evidence of good will for our company. Thus, our gratification is the greater through knowledge that this good will is the by-product of our effort to help the hungry people so sorely in need of all the help they can get."

Book salesman

THE FIFTIETH anniversary of the book match is coming up and the Diamond Match Company fondly recalls the feats of their master salesman, the late Henry C. Traute. Putting a penny on the desk of his prospect, he would say: "Forty book covers for a cent, 20 matches



**We'd like to look
for the heirlooms
in YOUR business**

THESE heirlooms in business are the multitude of forms and methods which originated in the dim past. They continue to be used today because no one has taken on the job of determining whether they should be revised, or eliminated entirely.

Forms and methods become habits — and habits are hard to change. Another reason for business heirlooms is that we sometimes get too close to our own routine to get an all-over picture. We fail to discern the many places where the paperwork of one department can be dovetailed with that of other departments to

avoid repetitive work, and save time and effort.

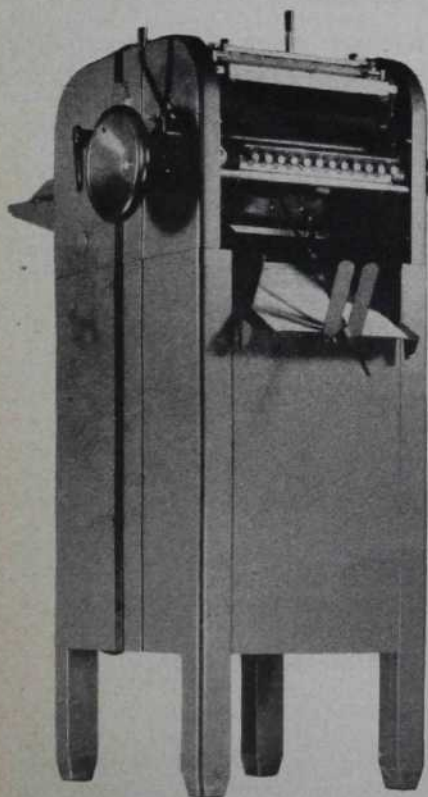
A Multigraph man can help you clear out heirlooms because he is trained to look at your problems objectively. He has had the advantage of studying the paperwork systems of many different businesses. He knows where and how new Multigraph machines and reproducing masters can help you most.

No obligation. Phone our local office or write Methods Department, Addressograph-Multigraph Corporation, Cleveland 17, Ohio.

Multigraph
TRADE-MARK REG. U.S. PAT. OFF.

SIMPLIFIED BUSINESS METHODS

Multigraph is a Registered Trade Mark of Addressograph-Multigraph Corporation.



*While She Powders
Her Nose . . .*



ALL THREE MACHINES ARE TYPING PERSONAL LETTERS

faster than human fingers can fly!

AUTO-TYPIST is one of the most amazing business machines ever built. Any typewriter can be mounted on the mechanism. Then it will type letters—automatically—from two to three times faster than human typists can work. Your typist can operate three or four AUTO-TYPISTS. She can turn out from 300 to 500 letters a day—each letter completely and individually typed with a provision for manual interpolation of names, amounts, dates, or any other "personalizing" references.

RUSH COUPON FOR DESCRIPTION OF THESE AMAZING MACHINES

Office managers' mouths drop open in amazement. Typists heave deep sighs of relief when they see perforated paper record rolls flashing out the tedious repetitive typing in one-third the time.

Sales managers boost responses to their mailings many times by sending individually typed letters to their prospects. Rush the coupon or a request on your letterhead for complete description of the business machine that is increasing sales and collections, and speeding mailings for America's biggest companies. Send today for the facts. They are free.

AUTO-TYPIST, 610 N. Carpenter Street, Dept. 141, Chicago 22, Ill.

AMERICAN AUTOMATIC TYPEWRITER CO., Dept. 141
610 N. Carpenter St., Chicago 22, Ill.

Tell me how one ordinary typist can turn out 300 to 500 individually type-written letters a day on AUTO-TYPIST. All information is free and I am under no obligation.

Name _____
Company _____
Address _____
City _____ P. O. Zone _____ State _____

**RUSH
the
Facts
Free!**

to a book, 800 impressions for a penny."

From less than 1,000,000 book matches in 1896, the business has grown to 10,000,000,000 a year. One of Mr. Traute's biggest single orders was 1,000,000,000 books from Wrigley's gum for the neat sum of \$2,225,000.

Stitch in time

IN THE TOPSY-TURVY selling days ahead we may be sure of one thing: Market research questionnaires will flood the land. They are the soundings made by business navigators who seek to chart little-known waters.

Since this is the case, it seems well to circulate the highly practical suggestion of R. V. Sentner, manager of the New York Service Bureau of the International Business Machines Corporation, who told marketing men recently that they would do well to consult with the people who are going to tabulate the results before the questionnaire is prepared. In this way they can arrange for the coding and other particulars which will mean substantial savings and also assure more accurate results.

While this "stitch in time" may seem to be the obvious thing to do, Mr. Sentner is authority for the statement that it is frequently forgotten or overlooked.

Unit sales

WITH A SHUDDER for what happened in 1920, retailers are keeping a weather eye on the number of transactions as well as on sales. Dollar volume can go up as prices rise and more expensive goods are bought. Meanwhile, transactions can decline. That means fewer customers and is a danger signal.

The Controllers' Congress of the National Retail Dry Goods Association has issued its highly competent report on 1945 merchandising and operating results of department and specialty stores which discloses that sales that year gained 11 per cent and transactions five per cent over 1944. As a new feature of the report, the number of transactions per square foot of selling space (21) is given and the number of transactions per sales person (7,851).

Replacement insurance

MOUNTING costs of plant and equipment mean that insurance coverage must be revamped to provide for replacement values in case of fire loss or other destruction. In

Modern Store Fronts for the entire neighborhood *benefit business and the community!*



"MODERNIZING OF MAIN STREET" means improvement of the whole community . . . more business for the local merchants. Here is a striking example of group modernization of stores in Mt. Lebanon, Pa. It shows what can be done by modernizing with Pittsburgh Glass Products, when local groups plan and remodel together. It keeps business at home . . . creates greater prosperity for the entire neighborhood.
Architect: Thomas B. Gorman.

EVERY business man is interested in any sound proposition which results in civic improvement, better business, and greater prosperity for the community as a whole. The "Modernizing of Main Street" in your community is such a proposition.

Chambers of Commerce Back This Idea. Group modernization of stores through the cooperation of local Chambers of Commerce, merchants, architects, builders, and bankers, has proved, in a number of communities, that it not only benefits the individual merchants, but substantially increases civic pride, prestige and

prosperity of the entire neighborhood. It helps to keep local business at home, because consumers are not so apt to go to the larger centers nearby to spend their shopping dollars.

Your Leadership Needed. Let us suggest that you tie in with your local civic fathers and other planning groups. In cooperating with your "Modernizing of Main Street" committees, remember that "Pittsburgh's" wide experience and specialized knowledge in creating building exteriors and interiors of great beauty, usefulness and durability are at your disposal.

Let Us Help. For more than fifty years, the Pittsburgh Plate Glass Company has enjoyed an enviable reputation for the consistently high quality and dependability of its products. And Pittsburgh Glass and Pittco Store Front Metal have the enthusiastic acceptance of merchants, builders and architects throughout the country.

Send for Free Book. The convenient coupon below will bring you a free copy of our very interesting and informative booklet which illustrates and describes a wide variety of Pittsburgh Glass and Pittco Store Front Metal installations.

"PITTSBURGH" STORE FRONTS AND INTERIORS



"PITTSBURGH" stands for Quality Glass and Paint

PITTSBURGH PLATE GLASS COMPANY

Pittsburgh Plate Glass Company
2030-7 Grant Building, Pittsburgh 19, Pa.
I am interested in the subject of group modernization of stores.
Please send me a free copy of your brochure, "How Eye-Appeal—
Inside and Out—Increases Retail Sales."

Name.....

Address.....

City..... State.....



NATURE HAS Sharper TEETH

A manufacturer of metal equipment in the Midwest was desperate. Rust and corrosion, like a horde of rats, were gnawing away at a hundred-thousand dollars worth of hand tools in his machine shop.

This company's chemists experimented with one precautionary measure after another—yet nothing stopped nature's rampage.

When one of our lubrication engineers was consulted, he informed the company that the Cities Service research laboratories had recently perfected, after years of development, a remarkably effective rust preventive (called Anti-Corrode). It was given exhaustive tests at once and the

chemists soon reported rust and corrosion were stopped dead. From that point on, everything down to and including pliers and screw drivers, was coated with Anti-Corrode.

Cities Service serves *all* industries with hundreds of quality products from our refineries and research laboratories. And, like our good friends above, the many, many companies which we serve have found that...

Cities Service means Great Service *—All the Way from the Refinery to Your Plant*

CITIES SERVICE OIL COMPANY
60 WALL TOWER, ROOM 6, NEW YORK 5, N. Y.

I would like a free demonstration of your rust-preventive and rust-removal products, at no obligation.

NAME.....
TITLE.....
FIRM.....
ADDRESS.....
CITY.....STATE.....



(This offer available
only in Cities Service
marketing territories
East of the Rockies.)

many cases as a result of accelerated depreciation during wartime operation, company executives discover that there is little relationship between book value of assets and replacement cost.

Just how depreciation will figure in the settlements for loss is apparently a question that worries some management men. Agents have been a little vague on the matter, and the companies might seize the opportunity to do some explaining and some writing of additional business to boot.

Rainy day note

WAS it Senator Ford's Dipsy Baumwhortle who walked into a shop and wanted to get his umbrella back because the sign outside read "Umbrellas Recovered and Repaired?"

Whether the answer is yes or no, the myth of the vanishing umbrella dies as a store in Oklahoma announces the results of an experiment carried on for eight months. Umbrellas do not vanish!

Some 200 were stocked and lent to anybody who walked in and needed one.

Taking stock after the test period, it was found that 197 were on hand. One was a storm casualty and two others had indeed failed to be returned. But the store has opened up lots of new accounts.

Meeting the neighbors

INDUSTRIAL PLANTS have found out that it is well worth while to draw closer to their communities and encourage a mutual interest in the affairs of the neighborhood. This has been taking a page out of the book of retail merchants who have tried to identify themselves with community welfare.

Wm. Filene's Sons Company of Boston has gone a step further—from the community to the region. Its promotion is called "Filene's New England Revelation," and all the fine things that New England produces are shown from fashions to clambakes. And what clambakes!

World standards

AMERICAN LAMPS would not fit electric light fixtures in several South American countries because the fixtures were made in Germany and Japan. The Germans saw to it, however, that their own lamps would fit American sockets as well as their own.

This example is offered to illustrate the importance of standards

in international trade. The standard that got there first was the one that could exclude other sales.

During the war it was estimated that hundreds of millions in extra costs were paid out to coordinate the military production of the United States, Canada and Great Britain. Finally the United Nations Standards Coordinating Committee was set up in June, 1944, to deal with the emergency.

This committee and the older international association formed after the first World War have been replaced by a permanent international association. In this way, through the coordination of terminology and test methods, it is hoped to promote more international understanding and trade.

Seventy-five per cent chit-chat?

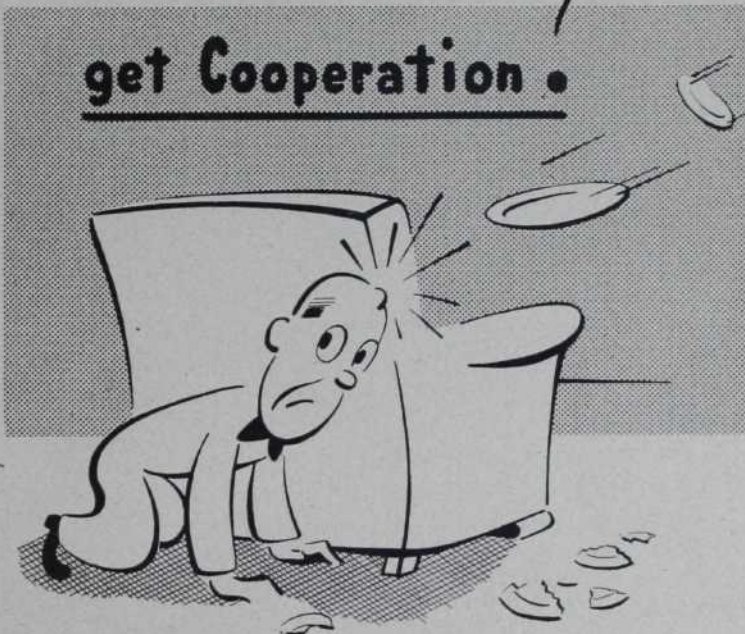
A FIRM of management consultants comes up with a report that organized labor regards most company house magazines as "social gossip sheets of no practical value" and it adds that not more than 25 per cent of them interpret the company or its policies. The blame is placed on untrained editors and inadequate budgets.

Some change in management's approach to the house magazine, where it is required, may very well grow out of the study of 325 publications made by the Association of National Advertisers for its members, but made available to others as well at \$2 a copy because of the widespread interest aroused. This study covers the basic media for reaching employees, the company house organ and employee handbook, in considerable detail and contains many practical suggestions for improving content and appearance. "Getting across management's message," is one of the chapter headings.



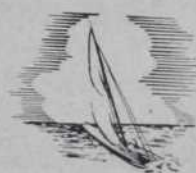
Wah-na

get Cooperation.



Has it come to this? Then come to Mississippi! Friendly, native-born Americans, who believe that an honest day's pay deserves an honest day's work, are meeting industry more than half-way. To them, industrial employment is not just a job, it's a future. And under BAWI, they're investing their hard-earned money to build plants for you. In Mississippi, you'll get cooperation — from workers, community and lawmakers.

For the time being, why not pack the family in the car and get away for a while? You can see first-hand what we mean by cooperation, and at the same time enjoy a vacation guaranteed to relax those jumping nerves.



Ask for a confidential report on Mississippi's industrial opportunities.

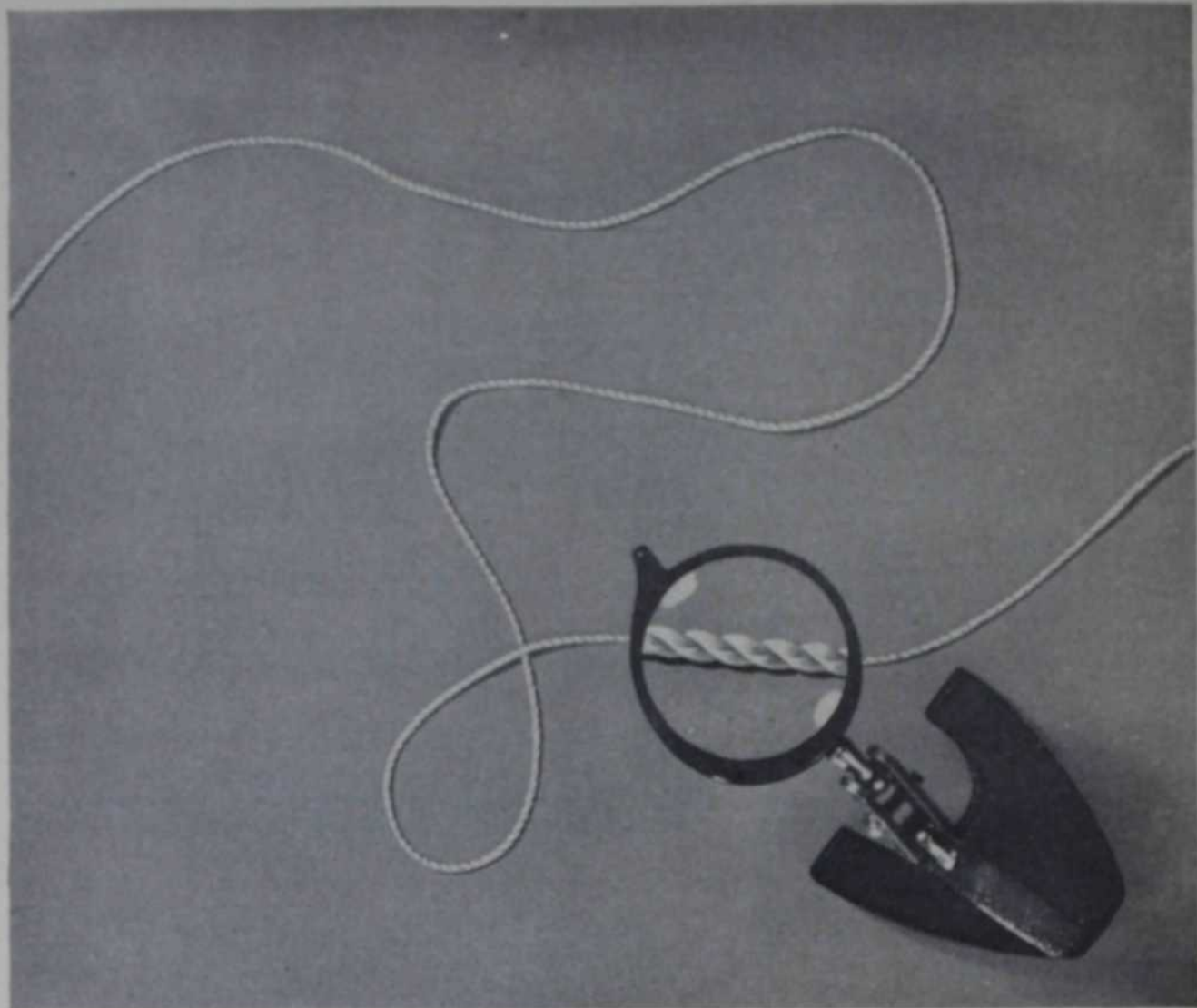
MISSISSIPPI AGRICULTURAL AND INDUSTRIAL BOARD
New Capitol Building
JACKSON, MISSISSIPPI

(BAWI Means Balance Agriculture with Industry)



MISSISSIPPI

★ THE BAWI STATE ★



It's the wonderful new twist to tire mileage!

ANOTHER REASON FOR GOODYEAR LEADERSHIP

You are looking at a picture that began almost 20 years ago—when Goodyear first experimented with rayon cord for tires.

That was the initial step. Over 15 years ago, Goodyear built the first rayon cord tire—perfected it—and when war came Goodyear was ready. Goodyear truck tires—made of rayon cord—helped speed supplies in the battle for Europe.

Today, from these strands of rayon cord are being built thousands of Goodyear passenger tires that set new records for mileage, safety, and economy!

Rayon cord tires are another in a long line of Goodyear "firsts"—the Straight-Side Tire, the Multiple-ply Cord Tire, the All-Weather Tread, the LifeGuard Safety Tube and many others. These, over the years, have made your tires last longer.

Goodyear goes right on working to benefit you—not just tomorrow, but ten years from now. It is this never-ending search for something better that helps explain why it's true today—as it has been for 32 straight years—"More people the world over ride on Goodyear Tires than on any other kind."

A pioneer in rubber, and the world's greatest tire company, Goodyear also has broad experience in many other fields—metals, fabrics, chemicals, plastics—constantly developing new products that will serve you better.



THE GREATEST NAME IN RUBBER

MANAGEMENT'S

Washington LETTER

► **BUSINESS MEN** enter 1947 gingerly, in sharp contrast with their confidence of a year ago.

This year prices—including those paid by employers for labor—could reach the point where buying stops and recession starts. Although not announcing it publicly, many government economists, plus some in industry, say privately they expect that point to be reached in midyear or soon after.

Note General Motors' decision canceling costly retooling for new models in three of its cars.

"Unsettled labor conditions and the general uncertainty of the economic picture" were reasons announced.

Housewives, too, peer into the future, see too many question marks. Some are cancelling plans for retooling kitchens, laundries.

A year ago everyone was going to buy a new car, new refrigerator, new home, new washing machine. Or so they said.

They placed orders, some in many places. A year ago dealers didn't know how many names in their order books represented multiple orders.

This is the year they find out.

Surpluses—which mean cutbacks in prices, manufacturing and employment—will begin to show up in soft goods lines.

Watch the January sales for the tip-off on surpluses. Price cuts on textiles may mean unemployment in textile mills by April.

Department store sales, disproportionately high last year, will drop off 10, possibly 15 per cent.

This means return of war-cut services such as deliveries, special shoppers, more personnel training, sales push.

It means also a rise in retail failures among those less wise and experienced in merchandising, business finance.

That's the dark side. The picture isn't all dark. It's predominantly bright.

Production delays, restrictive government policies (now junked) deferred much of last year's pent-up demand. It's still there.

So is enough cash to back it up.

Almost certain of a capacity rate year are big, basic industries underlying the economy.

These are chemicals, construction lines, autos (new models or old), lumber, basic metals, rails, rubber, steel.

Thus there is a solid foundation for a year of high production, good business.

Nearly all the questions, the "economic uncertainties" of 1947 hinge upon the actions of unions, upon how far they go toward pricing products out of markets, toward pricing their members out of work.

There's a lot of tough talk on both sides of the wage question. No one knows now where it will lead. But here's an informed guess:

Management and unionized labor will compromise on a wage rate raise of about 10 per cent. They will reach agreement with little or no interruption of work.

That's crystal gazing, but with a basis:

Neither side can afford to repeat the long, costly work stoppages of last year.

Rank and filers have a bellyful of payless idleness caused by their own strikes, plus those in supplying plants. These wipe out "labor's gains" too quickly.

Nor can management afford a repeat of last year's performance.

Tax rebates paid management's cost of strikes in 1946, in large part. General Motors, for example, wound up its first nine months with a whopping \$135,000,000 loss. Excess profits tax rebates cut it to \$5,500,000.

But now most rebates are used up. This year management will pay for its own strikes out of working cash.

The fact that Congress will be at work on labor legislation will tend to moderate union action.

Don't expect quick magic from the new Congress on labor law.

Legislators will move carefully, seek equitable regulation, a fair division of responsibility.

It will take two months, possibly three, to complete the program.

► **SOCIAL SECURITY** adds 1,000 old-age pensioners to its rolls every day—a total of 367,000 in 1946.

After ten years, the federal system carries 1,655,000 pensioners. Monthly benefits average \$19.

With end of first decade, 8,200,000 beneficiaries have attained permanent insured status by payment of special payroll taxes through 40 consecutive calendar quarters.

A total of 35,500,000 are contributing

to the old-age program—making it the largest social insurance system in the world.

►OVERSEAS AIR FREIGHT volume more than doubled in 1946, with total exports now exceeding 2,000,000 pounds monthly and air imports averaging 1,500,000 pounds.

Special Census report shows Miami the principal port of clearance, handling 64 per cent of our air imports and 46 per cent of exports.

LaGuardia (N.Y.) and Brownsville, Texas, are second and third in air-freight volume.

Among items moving overseas regularly by air, in relative volume, are machinery and parts, textiles, medical preparations, books and printed matter, photographic and optical goods.

Leading air imports are leather products, meat specialties, watches and parts, fabrics, diamonds and precious stones.

Figures do not include air-mail merchandise or transit air freight through U.S. to other lands.

►LABOR DEPARTMENT is being reorganized from top to bottom, to bring every activity under direct personal supervision of an assistant secretary, to eliminate duplication, overlap, policy conflicts.

Conciliation service and public relations are only divisions to continue under direct personal supervision of Secretary Schwelienbach.

One new bureau is devoted exclusively to international labor affairs.

►CONSTRUCTION INDUSTRY anticipates a billion-a-month volume in '47.

Final industrial survey by CPA discloses adequate current production of lumber, nails, brick, concrete blocks, cement, hot-water equipment, furnaces, cast-iron pipe, plumbing equipment and builders' hardware.

Final figures on '46 show that only one third of year's \$10,000,000,000 total construction was residential, balance being commercial, industrial, institutional and public works.

►FARM PRICE SUPPORTS face serious trouble. The 1946 surplus of 100,000,000 bushels of potatoes will cost the Government roundly \$80,000,000 in price-support losses.

Department of Agriculture now owns 40,000,000 bushels of the surplus, and has another 55,000,000 bushels under loan, to be liquidated before the new spring crop.

They are giving 'em away for school

lunches, selling 'em cheap to starch mills, to farmers for livestock feeds, to alcohol plants.

UNRRA won't take dehydrated potatoes at 30 cents a pound when it can get wheat flour for 6 cents.

Comparable situations are feared next season on several other major crops. Secretary Anderson urges prompt congressional review of the whole price-support program, to head off unmanageable surpluses in '47.

►GOVERNMENT PAYROLL still is expanding in the regular departments, excluding War and Navy, says Byrd Committee.

Since V-J Day old-line regular departments have added 353,737 workers to their payrolls, bringing total to 1,311,420.

"It is obvious," the committee reports, "that voluntary reductions in the government establishments cannot be expected. The only remedy for swollen payrolls is additional legislation which will make further cuts mandatory."

►GOVERNMENT MERCHANT MARINE operations will be whacked down sharply at end of February.

Budget cuts leave Maritime Commission with practically no operating funds. Shipping revenues go back to Treasury under existing law.

Congress will not renew government support of transocean shipping until maritime labor policies are formulated to reduce costly strikes and wildcat stoppages.

Meanwhile, shipping industry fears American flag vessels may take a beating before Congress gets around to a new long-term shipping program.

►HIGHER BREAD PRICES are coming, say government wheat experts.

Elimination of flour subsidies and relaxation of most grain processing controls free bakers of government management for first time since 1942.

Labor Department reports that cereals and bakery products at retail have advanced only 48 per cent since 1939, while meats are up 99 per cent, dairy products 117, eggs 136, fruit and vegetables 91; beverages, fats and oil and sugar, up 75 per cent.

Average hourly earnings in bakeries passed \$1 an hour in final quarter of '46, against a prewar average of 65 cents.

►RUSSIA is encountering major troubles with her internal postwar economic development.

Confidential government reports show

Soviet program far behind schedule in production of both basic raw materials and reconstruction of industrial plant.

Whereas the world's foreign policy makers appear to regard Russia as a first-class industrial and military power, actual figures reveal a national economy being drained by disproportionate allocations for the military establishment and a top-heavy administrative bureaucracy.

In several key areas of production Russia's economy cannot begin to equip and maintain military operations on present scale.

Informed U.S. observers say that the new Russian Five-Year Plan is mostly "on order."

► TWO-WAY RADIO communication with urban pick-up and delivery trucks is authorized on an experimental basis by FCC.

Results will determine policy on permanent channel assignment for laundry, ice cream, dairy and department store trucks.

Under experimental licenses some drivers cruise with emergency supplies to respond instantly to radio orders from main plant.

► ARMY'S scientific and industrial research program is conducted in more than 80 federal plants and laboratories employing 40,000 people.

A new industry-science-ordnance team enlists aid of key industries in all military development problems, including aircraft, ordnance, transport and guided missiles.

First problem assigned civilian team is search for a standardized motor truck design, to eliminate necessity for carrying 400,000 different items in parts stocks at field shops.

Industries which develop new principles and formulas for commercial application are urged to offer their ideas for military consideration.

Hope is to make permanent the close contact and cooperation between military and industrial research built up during the war.

► ARMY AND NAVY Munitions Board has surveyed 1,200 industrial plants which were wholly owned by military services at end of war.

Only 60 will be retained. Remainder are being sold or leased with contract limitations on physical changes, and under provision authorizing Government repossession within a period of 20 years in event of emergency.

Type and location of plants retained remains a defense secret.

MARKET RESEARCH in agricultural products gets \$10,000,000 in 1947 budget.

E. A. Meyer, former assistant director of Production and Marketing Administration, heads the new bureau, with aid of a national advisory committee of farm educators.

Permanent program of distribution research was authorized to cut spread between farm costs and city retail prices.

Budget authorization contemplates \$60,000,000 annually for this work by 1950.

Commodity advisory committees will be appointed for each major production area, as dairy, livestock, cereals, citrus, wool, tobacco, peanuts.

Business men are urged to submit suggestions to the new Research and Marketing Administration, Department of Agriculture, Washington 25, D. C.

► ALASKA will get the world's most modern and best-equipped magnetic laboratory and seismograph station, at Fairbanks, this year.

Deep underground vaults to house instruments are a feature of the plans.

Engineers of the Coast and Geodetic Survey are in Fairbanks on preliminary surveys.

New plant makes permanent the special work in weather and terrestrial magnetism conducted in sub-Arctic during war.

Experts predict daily flights over the North Pole may be routine within two years.

► WASHINGTON BUSINESS BRIEFS: Auto industry reports new tools cost 60 per cent more than on V-J Day, 150 per cent more than prewar....Office of Vocational Rehabilitation finds blind workers at machine operations average higher productivity per day than non-handicapped....French Morocco reports a wheat harvest of 25,000,000 bushels, about 8 per cent above the prewar average....Brazil has decreed rigid government control of cacao exports for 1947....Veterans' preference system for purchase of farm machinery under WFO 135 ends Feb. 8....James R. Newman, formerly on WPB's planning commission, has joined Henry Wallace on the "New Republic"...With shipment of 164,000 draft animals to Europe in '46, Agriculture announces completion of UNRRA restocking program....Federal Power Commission finds 36 per cent of U.S. electric energy is produced by hydro, 51.5 by coal, 9 by gas and 3.5 by oil....Veterans Administration has an ex-GI going to college at government expense to study French "so he can converse with his French bride."



Stay on
"Safety Street"

The Policy Back of the Policy—Our way of doing business
that makes your interests our first consideration

"WE'D like to make every street a 'Safety Street'—with your help!"

This worthy goal of the School Safety Patrol deserves active support whenever you drive your car. Increased accidents, costlier court judgments, expanding financial responsibility laws, have made safety more than ever your personal concern. They underline your need for constant driving care—and for the best automobile insurance you can obtain.

Hardware Mutuals *policy back of the policy* means not only low cost, full-standard auto insurance, but a host of other advantages that add to your security and peace of mind. These include prompt claim settlements without red tape, and speedy, capable service in your best interests by highly trained representatives who deal only in insurance.

Important too, especially these days, is the opportunity to share in substantial dividend

savings—of which over \$100,000,000.00 have been returned to policyholders since organization.

Join the over half a million policyholders who are taking advantage of the plus-protection and savings that go with all types of Hardware Mutuals insurance. Licensed in every state—offices from coast to coast.

*Automobile, Workmen's Compensation and other forms of
non-assessable Casualty and Fire Insurance*

Hardware Mutuals

FEDERATED HARDWARE MUTUALS

*Hardware Dealers Mutual Fire Insurance Company, Home Office, Stevens Point, Wisconsin
Mutual Implement and Hardware Insurance Company, Home Office, Owatonna, Minnesota*

HARDWARE MUTUAL CASUALTY COMPANY

Home Office, Stevens Point, Wisconsin

TRENDS



OF NATION'S BUSINESS

The State of the Nation

THE YEAR just past was, on the whole, one of bitter disillusionment. For that reason alone we may expect 1947 to set the stage for national affirmation. Men face reality most resolutely when they are up against it. The great periods in American history have not been those of comfort and prosperity, but the years in which adverse conditions demanded the utmost in hard thinking and sacrificial effort.

One of the illusions which the magnitude of our postwar problems helps to eliminate is the strange belief that the State can somehow improve the lot of mankind—that abuses will almost automatically disappear if only we give government sufficient authority to control the situation. It does not work that way.

In Great Britain, for instance, the populace has for many years been told of the evils of capitalism, which are unquestionably real and disturbing to every thoughtful man. Unfortunately, it has been assumed that, because the Socialists denounced the ills of capitalism most vehemently, it therefore followed that socialism had something better to offer. That is the flaw in the logic which Britain now confronts. If the coal industry has been allowed to run down under private ownership, the chances are that it will not revive under public ownership. The quality of men, which is the all-important factor in every aspect of human relations, is not improved merely by ordering them to serve the State.

Belief in the ability of the State to work miracles has always been dissipated whenever the issue has been put to actual test. In our own

country we have seen this demonstrated recently by the sad story of OPA. Nominally it kept down the price of meat. Actually there was no meat available at ceiling price. Even if it had been possible to eliminate the black market in this commodity there would still have been an inadequate supply under governmental price-fixing. Farmers would have turned their energies to less troublesome, more profitable, operations than raising cattle. They were actually beginning to do so.

Free Markets Mean Freedom

Confronted with hard facts of this character the doctrinaire Socialist is placed in a difficult position. He must either admit that the free market, with a minimum of governmental regulation, is demonstrably in the best interests of society, or he must agree that the State should eliminate the free market altogether. If he chooses the first alternative he ceases to be a Socialist and if he indorses the second he becomes a Communist.

Either of these positions is more logical than the indorsement of what is called a "mixed economy," which tends to become as badly mixed as was our own under OPA.

The Communist method is at least understandable. When a ceiling price fails because of black market operations the Communists recommend liquidation of illegal sellers and buyers by execution, as was done on a large scale in Russia after the 1917 revolution. When farmers thereupon cease to produce beyond their own needs, the Communists handle that problem by nationaliz-

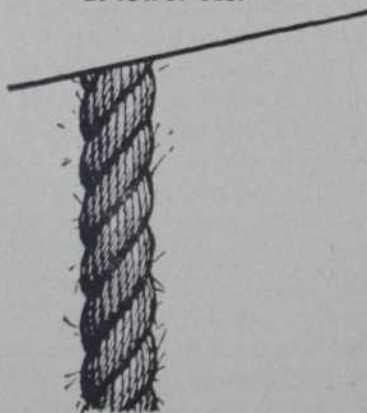
START A BUSINESS ON A SHOE STRING?

THIS ONE STARTED ON A BROKEN ROPE!



FREE ENTERPRISE MEANS:

better products
for more people
at lower cost



It happened back in '87 — here in Milwaukee.

For the workers in a big machinery plant, this day was just like any other. They whistled about their work, unknowing that above their heads lay DANGER. Up among the rafters on the big traveling crane, a rope was giving way!

When it broke, it snapped without warning, plunging its load on the helpless workers below!

Tragic? Of course. Yet it was this very incident that led to the building of a truly *safe* crane. A new company, Pawling & Harnischfeger, undertook the job . . . and began what is today the largest overhead crane business in the world! A business that has spread to other fields — to electric hoists, power shovels — and finally to the welding equipment that builds them!

Free Enterprise did it. The freedom to take an idea from a shoe string to success, which is the American way. And, as in this case, with the Harnischfeger Corporation — the results are always the same: *new jobs* for American men and women, *new and better products* for them to enjoy.

Today the *American* working man, working one day a week less than his luckiest rival, draws more than double the pay! He and his fellow Americans constitute less than 7% of the world's population, yet they own most of the world's radios . . . *more than half* of the world's telephones . . . *three quarters* of the world's cars!

Nor is this the end. Free Enterprise holds promise of still more plenty, for still more people — in the American way. We have only to keep it free.

P&H

HARNISCHFEGER
CORPORATION

ELECTRIC CRANES • EXCAVATORS • AND WELDERS • P&H • HOISTS • WELDING ELECTRODES • MOTORS

Manufacturers of

Overhead Cranes • Electric Hoists
Excavators • Welding Equipment
MILWAUKEE 14, WISCONSIN

ing the land and establishing "collective farms." Then, the free market having been wholly eliminated, in agriculture and industry, the State proceeds to plan in detail exactly how much of everything shall be produced and how it shall be distributed. All initiative passes out of the hands of the individual. "His not to reason why."

A Plan That Is Dictated

The ponderous text of "The Great Stalin Five-Year Plan," which can be obtained from the Russian Embassy in Washington, illustrates the fantastic end to which the principle of a planned economy leads. An itemized program of industrial and agricultural production is now in force for each of the constituent republics of the Soviet Union. Taking one of them almost at random we read, in the case of the Uzbek Soviet Socialist Republic, that:

"The amount of livestock by the end of 1950 is fixed as follows: horses, 498,000, including 458,000 on collective farms; cattle 1,765,000 head, including 670,000 on collective farms; sheep and goats 9,650,000, including 7,500,000 on collective farms."

On the industrial side it is similarly provided, for the Soviet Union as a whole, that 1950 shall see a total production of 65,600 passenger automobiles. In the cultural field one of the orders is that: "The number of cinema installations (movie theaters) shall be increased to 46,700 in 1950, as against 28,000 in 1940." In every phase of social life scarcely a detail is overlooked. "By 1950 the number of students in higher educational institutions shall be raised to 674,000" while the production of cameras in that year is to be 530,000; of glass tumblers, 160,000,000.

The moral of these anticipatory statistics, for present purposes, is not that the standard of living in Russia four years hence will still be extremely low, with annual production averaging less than one tumbler per capita and one new car for every 3,000 persons even if objectives set are fully attained. The point for consideration here is the final result of the theory of governmental planning. It means that a peasant in Uzbek cannot breed a cow until he has obtained a government permit putting him on the quota of cow breeders. It means that the people of Podunkgrad cannot build a second movie theater until Gorkyville, 30 miles up the river, gets its cinema. It means that Ivan Petrovsky Skivar, who would like to make cameras, must instead manufacture glass tumblers because Moscow has decided that in 1950 Russia shall produce 302 of the latter to every one of the former.

When the State does all the planning, the individual cannot plan at all. He must take the employment to which the Government assigns him; he must work at whatever rate and for whatever hours the State prescribes; he cannot change

his occupation or place of residence without a governmental permit but he must change one or both if the bureaucracy so decrees. This condition of slavery is softened, but not concealed, when the State decides that his community shall have a movie theater, or a hospital.

One can scarcely imagine the American people adopting this system, even if it could guarantee that complete "freedom from want" would be provided to compensate for the loss of personal liberty. There is something in the American character which revolts against the subordination of the individual to official authority. And our entire system of government has been built on the theory that officials are responsible to the will of the people—not the other way round.

Individual Responsibility

It is all too obvious, however, that there is a shadow side to the American system. While our normal productivity exceeds the rosiest dreams of the Russian planners, it can be interrupted here at any time by a strike, which would be treason under Communist rule. And in the Soviet Union the worker willing to obey the State without asking questions is always sure of some sort of employment. He is not free to starve.

As one reflects objectively on the contrast between the Russian and the American philosophies it becomes clear that the vast difference roots in the question of whether or not men and women can be called responsible beings. Our system is based on the assumption that people are responsible; that an employer has a moral obligation not to let a faithful worker down and that the workers in turn have an equal moral responsibility not to produce chaos by the withdrawal of labor power in a key industry. In neither case is antisocial action prohibited by man-made law. But we believe, or once did, in a higher obligation.

To the Russians this faith in the moral quality of the individual seems sheer nonsense. Man is regarded as irresponsible and, in consequence, it is wholly logical for the State to order his life for him, from the cradle to the grave, and to make sure that he shall never disobey these orders.

Communism, we must recognize, has developed, but did not create, the natural Russian tendency to take instructions from governmental authority, any more than capitalism created American instincts which are religious rather than economic in their origin. The alternative choices are between self-government, under the authority of God, or regimentation, under the authority of the State. It is really as simple as that.



OF NATION'S BUSINESS

FELIX MORLEY



Parade of Power

INTERNATIONAL TRACTORS CLEAR THE WAY FOR THE RAILS

Hurry! A roadbed quick for the New York Central to serve a new, important manufacturing plant!

A fleet of six International Diesels, that lay their own ground-gripping tracks, answers the call with bulldozer blades and capacious scrapers. In ten roaring days they move 94,000 tons of earth...and the job is done!

That's the kind of performance that's needed these days on heavy construction jobs all over the land.

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The Month's Business Highlights

AFTER PASSING through the critical series of events which marked the closing months of 1946, the country enters the new year imbued with the feeling that the worst is over. Conditions exist that can be the basis for unparalleled prosperity. It remains to be seen if beckoning opportunities are heeded. Certainly there has been a decided clearing of the atmosphere. Many of the handicaps and uncertainties which hampered business have been removed.

Strikes, controls, high prices, inflation, inventories, political convulsion and international wranglings all bunched in the fourth quarter in an ominous way, but such climaxes were to be expected after a war and as a \$200,000,000,000 economy adjusts itself.

Some of these phenomena could have been cushioned had labor and political leadership been better, but that is water over the dam. New political leaders are about to be tried out. Labor's crying need also is for new leadership. The existing leadership, having enjoyed special privilege and monopolistic powers for so long, will not surrender them without a fight. That fight might plunge the nation into a deep depression. If labor voluntarily would throw off the yoke of totalitarianism and select the statesmen among them as their leaders, the public interest would be served and the cause of organized labor would be put on a higher plane than it possibly can occupy when it relies on haughty dictators of the Lewis type. There are plenty of statesmen and potential statesmen among the members of labor unions. Some of them may have the courage to challenge the authority of those who now rule. Nothing would contribute more to the maintenance of prosperity than a voluntary change of policy on the part of organized labor. It would have been better than to wait for reform by legislation. While there is no great enthusiasm among senators and representatives to deal with a subject which involves so many millions of votes, it is clear that it is due the public to provide some fair machinery to handle labor disputes without strikes. Something certainly can be worked out that will have the support of the progressive element in labor, even if it is against the wishes of the existing leadership.

The old guard labor leadership will fight harder for the continuance of special privilege than

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did the captains of industry at the turn of the century, and they have more political influence.

The next two years may be fateful ones for business. If developments force a collapse, they will bring on regimentation that would make the New Deal look mild in comparison. Labor, management and legislators are filled to satiety with controls and interferences. The one way to insure against their return is for all groups to cooperate to preserve the independence of the individual. This may be the last chance. Just as labor should voluntarily assume all the responsibility that goes with its power, so business should avoid practices and policies that are unfair to labor, to competitors, and to the public.

Business these days is so affected by political action that an economic writer cannot tell his story without dealing with politics. Nothing but the Republicans can prevent the Republicans from winning in 1948. It is within the range of possibility that they could do just that. There already is evidence that Mr. Truman has risen from his low. His handling of John L. Lewis raised him decidedly in the public esteem.

Responsibility has sobered the Republicans to the point that the forthright statements made in the campaign have been qualified. Some promises have degenerated into double talk. It is easier to advocate change when out of office.

There still is a good deal of ranting about the Roosevelt ideology, but not much in the way of substantial alteration has a chance of getting through Congress. Prospects do not favor any material amendment to the Social Security law, or change in agricultural policy or in the SEC act. Federal Deposit Insurance, so stoutly opposed by President Hoover, probably will remain unaltered on the statute books.

Doubtless the trend will be to stop any expansion of New Deal programs, but that began the minute Mr. Truman took office. He has paid lip service only to the Roosevelt policies.

There probably will be no radical change in foreign policies that directly affects business. The war, the airplane and the atomic bomb have made isolation obsolete. Republicans with an isolationist background will find obstacles to throw in the way of international cooperation. They will only



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hinder, not stop. There may be a slowing down of the trend toward freer trade but the need to export to provide employment is such that no return to the old high tariff days is suggested in any quarter. Reciprocal trade agreements provide a method for selective interchange of goods that reduces restrictions on the products that lend themselves best to trade.

Reduction in government expenditures will be much less than promised in pre-election statements, but some cuts will be made. The reductions will not be made in the items in which the pressure groups are interested, but in those that have no well organized backing.

First attention in the new Congress is being concentrated on labor legislation. John L. Lewis is not comporting himself as a chastened man. He seems to take pride in his ability to cause so much commotion; to wave his wand and start the wheels of industry rolling; even to cause the President of the United States to cancel a widely-heralded speech. He apparently is insensible to the fact that he pulled down upon labor the certainty of regulation and that he has weakened his own standing with the public, with labor and with his own union.

Lewis' main objective was to lead in a second round of wage increases. Instead he has created an atmosphere in which it will be much more difficult for any union to secure further substantial increases. Labor, however, has an unparalleled opportunity to adopt a policy of all-out production for the definite purpose of increasing real wages by reducing price levels.

Employment May Be Shifted

Employment is not likely to be maintained at the 1946 level in 1947. Improvement in the delivery of parts has a direct relationship to the working force of the producer of the final product. Some of the industries engaged in non-durable goods manufacture are producing in more volume than can be absorbed. Reduction in their output seems certain. More workers are employed in this branch of industry than most persons realize. As they lose their work, competition for job opportunities in the durable field increases. As soon as the supply of labor exceeds the demand, the productivity of men with jobs increases and fewer men are needed. Man-hour efficiency increased sharply immediately following the turn which came after World War I. Non-durable industries are good customers of heavy industry. As they slow down, the strain on heavy industry is relieved that much. Declines in agricultural prices not only affect the labor market but also mean a lower volume of buying of products used by farmers, especially fertilizers. The men

who predicted unemployment after V-J Day think what they foresaw has only been delayed. Under their unofficial revised estimate, the country will be wrestling with unemployment before the end of 1947.

Although such a condition would raise new problems, no one is taking an alarming view of the situation. The joy ride is about over, but good leadership, given a reasonable amount of cooperation, should keep the decline from becoming rapid or prolonged. The durable goods industries and capital outlays will take up the slack.

One of the signs of the trend is January clearance sales in retail stores. The Christmas trade did not use up their accumulated inventories. Certain textiles are in abundant supply. Stocks of some items are double the quantities of a year ago. Unit prices are higher, but buyers are more discriminating and are waiting for more sales. This, of course, does not apply to housewares and the heavier durable goods. They will absorb a rapidly increasing proportion of the consumers' dollar from here out. Sales of dresses are below estimates. The men's clothing situation will improve decidedly once the problems of linings, buttons and other components are solved.

Sales of floor coverings and house furnishings generally, as well as of men's clothing, were important factors in keeping 1946 department store sales ahead of 1945. In 1947 the price factor will become more important than at any time since 1939. It is eliminating an increasing number of buyers from the market.

Large shipments of machine tools are moving in export trade, but they are new tools. Foreign buyers shy away from war surpluses. Something on the positive side will have to be done to stimulate sales abroad of used equipment. The machine tool industry and other equipment manufacturers would be getting much more business were it not for restrictions on construction.

Synthetic rubber now is being used in the United States in greater volume than natural and reclaimed rubber were used prewar. A superior inner tube has been developed. Manufacture of premium grade tires has been resumed. A great industry has been developed. As it took a price increase to get the flow of natural rubber really started, cost differentials may not be great; but even a Democratic Congress would have limited the percentage of natural rubber manufacturers could use so as to insure continued operation of efficient synthetic plants. The Republicans certainly will do no less.



The Chart that sounded like People Crying!

(BASED ON A TRUE STORY)

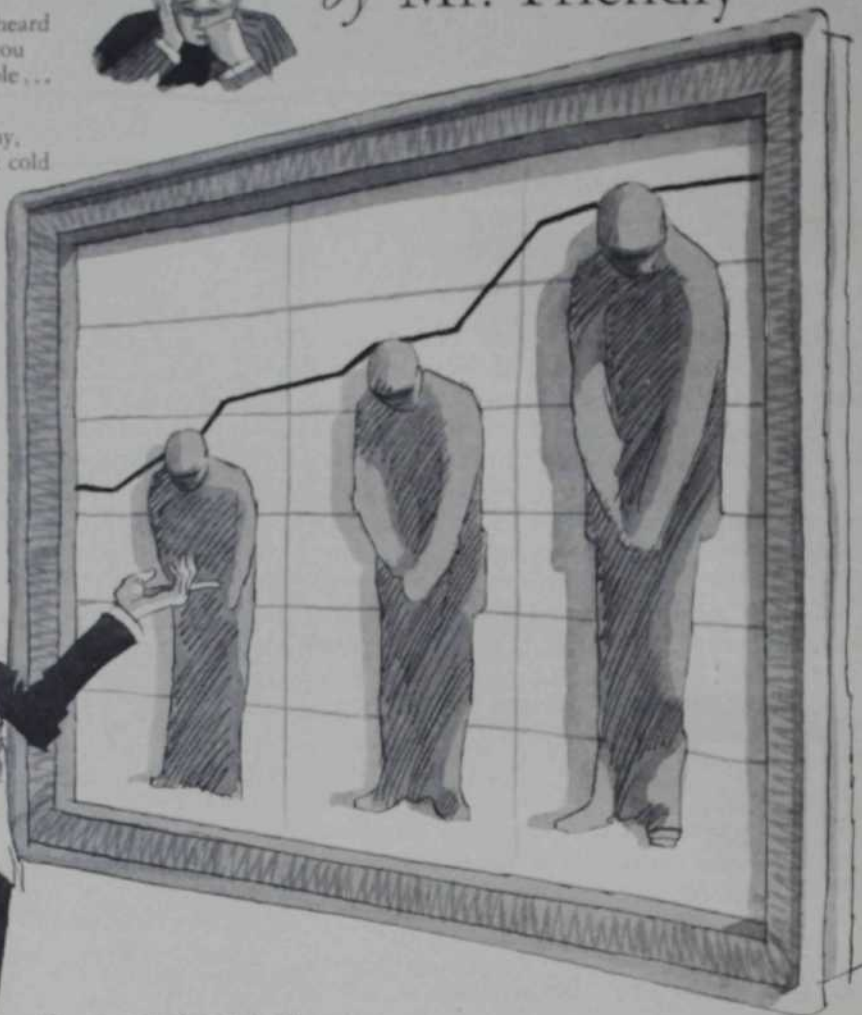
by Mr. Friendly

At first glance, it looked like any chart...

But if you looked long enough, you heard voices... A crying sound... and then you began to see that the chart was made of people... of injured workers.

John Roberts, the President of the company, heard these voices one night when the black cold line on the accident frequency chart reached 32.1.

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Washington Scenes

THE atmosphere here, as the Republican-dominated 80th Congress convenes, is charged with the promise of fateful events. Senators and representatives, new and old, who have been trooping into the city, are, for the most part, a sober lot. They are deeply conscious that the United States is in serious trouble; and though not many of them know exactly what they are going to do about it, they are at least eager to get at the job and to measure up to it.

The prospect is that this Congress will open a new chapter in the history of American industrial relations, ending one that began with the New Deal. That new chapter, it is hoped, will mark the decline of the so-called labor "czars" and free the nation from the recurring threat of economic paralysis.

Responsibility of Law-makers

What is significant at the moment is the spirit, the sense of responsibility, in which the law-makers approach their task. No such attitude existed in the last comparable situation. That was in 1931, midway in the Hoover Administration, when the Democrats captured the House.

Writing about the confusion of those days, when banks and mills were closing and jobless men were peddling apples, Historians Charles A. and Mary R. Beard said:

"Though the Democrats had won a majority of the House of Representatives in the congressional elections of 1930, they had proposed no constructive measures to overcome the depression. . . . Democratic tactics in the House of Representatives were principally confined to obstructing and harassing President Hoover in such undertakings as he ventured to sponsor in trying to cope with the economic disaster."

The villain at that time—but more especially a little later on when the New Deal came in—was Big Business. All the ills of the land were blamed on it, and a whole new vocabulary of abuse soon enlivened the Washington air: "economic royalist," "rugged individualist," and "apostle of laissez faire." Big Business was definitely the scapegoat, and it was to remain one until a mad Austrian set the world on fire.

The astonishing thing that has now happened, the violent swing in sentiment that has turned the country against Big Labor, has only one parallel in modern political annals. That is to

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be found in the story of Prohibition.

The 80th Congress, like that earlier one that dealt with a discredited 18th Amendment, is under a compelling necessity to do something about labor legislation. Here, however, the parallel ends. In the case of Prohibition, it was only necessary to submit a repeal amendment to the people and then junk the Volstead Act. In this case, the only certainty is that something will be done to bring about a better balance between labor and management and to protect the public from "anarchy and industrial civil war." How it is to be done, what laws enacted and what laws amended or repealed, is something that still has to be worked out.

Courses of Action Suggested

Republican law-makers like Senator Joseph H. Ball of Minnesota have been thinking in terms of three courses of action:

1. Reenactment of the Case bill or something like it. In other words, early passage of a bill to outlaw secondary boycotts, make unions liable for violation of contracts, prohibit foremen's unions, create a five-member federal mediation board, and forbid strikes for 60 days when the board steps into a dispute.

2. Introduction of a bill amending the Wagner Act. This would be used merely as a basis for congressional hearings, and the hearings probably would extend over a period of months. The fact is, as Ball has pointed out, that it has been years since Congress has made any real study of the Wagner Act, the chief reason being that those in control on the Hill felt it would be bad politics even to question anything in that so-called "magna carta" of 1935.

3. Legislation which would offer some solution for crippling strikes such as that inflicted on the country by John L. Lewis. This would be aimed especially at industry-wide unions that have power to paralyze the whole national economy.

This is merely a tentative outline of the thinking on Capitol Hill, and is not to be regarded as a program. All of those who have tackled the problem have been sobered by its size, and are warning that its solution will take time. Politics will play a part in whatever is to be done, naturally. But, from present indications, the battling will not be so much between as within the two parties.

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problem is to be found in the case of Senator Homer Ferguson, a Republican of Michigan, and Senator J. William Fulbright, a Democrat of Arkansas. Both have advocated the creation of courts for the settlement of labor-management disputes in basic industries such as coal, steel, public utilities and transportation. Both have insisted on compulsory arbitration in such industries.

They feel that the United States cannot let one man or one group tie up the whole economic machinery. The labor leaders, they know, would not like the setting up of labor courts. But they are convinced that the rank and file of labor would welcome almost any scheme that would save them from the hardships of strike calls that too often occur in industries far removed from their own.

The President and Congress

As the curtain goes up in Congress, there is no disposition among Republican leaders to quarrel with President Truman. They realize for one thing that it would not be good politics; the country is in no mood for that kind of warfare. They realize further, as Senator Arthur Vandenberg of Michigan has put it, that they must "concentrate on justifying the victory of 1946" if they are to take over the entire government in 1948.

Yet a conflict between Congress and the Executive seems inevitable. It will come, according to present indications, on the size of the budget; that and the whole problem of expenses, debt retirement and taxes. In this connection, it seems worth while to call attention to a remarkable political development.

President Truman and Secretary of the Treasury John W. Snyder have thrown overboard completely the philosophy of the New Deal with respect to debt. They do not subscribe to the theory about "owing the money to ourselves." Accordingly they are determined to inaugurate, and carry through, a program for debt reduction provided Congress will permit them to do it.

Representative Knutson, Minnesota Republican, who will head the House Ways and Means Committee, insists it will be possible to make a substantial payment on debt this year and still "reduce personal income taxes by 20 per cent."

Secretary Snyder insists just as vigorously that such a program is impossible, unless Congress wants to cut Army and Navy appropriations to the danger point. The controversy, with its exchange of statistics and decimals, has reached a bewildering state. At its winter dinner, the Gridiron Club satirized it with a skit called "Budget Baloney."

Aside from dealing with labor, government finance, and such matters as wartime controls, the 80th Congress apparently intends to go on

an investigating spree. These investigations will, for the most part, be political sideshows.

There is talk of calling Elliott Roosevelt on the carpet. A lot of Republicans have questions they would like to ask him.

There is certain to be an inquiry into housing, especially as it concerns war veterans; also "probes" into the sugar shortage, American military government in Germany, the wartime expenditure of \$18,000,000,000 for building ships, and the handling of surplus property.

How long it will last is problematical, but President Truman has adopted a policy of talking less. His press conferences now are much less frequent than in the beginning, and his official pronouncements fewer. This policy was most notable in the early days of the coal strike.

It was a studied policy, too. The President was determined that he would not engage in a battle of words with John L. Lewis. For one thing, he knew that Lewis would like nothing better than a verbal crossing of swords, that being his specialty; for another, he wanted Lewis to "sweat a little."

Lewis, who had never run into such silent treatment before, was the first to blow up in this "war of nerves." He began telephoning the White House, hoping that he could somehow emerge from the battle without loss of face. He called at least a half dozen times, and each time was told the same thing: that the dispute was now before the federal courts and that, therefore, Mr. Truman felt that the time for talk had passed.

Whether Lewis knew about the contents of the radio talk Mr. Truman was going to make on the night of Sunday, December 8, is a question that remains unanswered.

However, those who did see the text say that it was a scorcher. The President was not going to "appeal" to the miners to go back to work; on the contrary, he was going to tell them that the Government was going to fight to a finish, no matter what the cost. He was going to tell them that they were not engaged in a mere strike, but in a rebellion, an insurrection against their Government.

But suppose that Lewis had not caved in, and suppose that the miners had stood by him and had continued to paralyze the national economy, what would Mr. Truman have done then?

That's one of the questions in the collective mind of Congress as it assembles for this momentous session. There is no doubt that some kind of an answer will be forthcoming.

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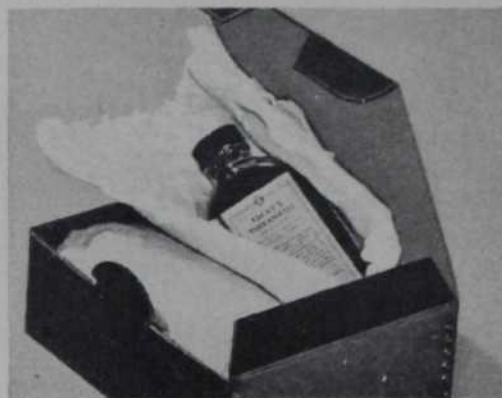


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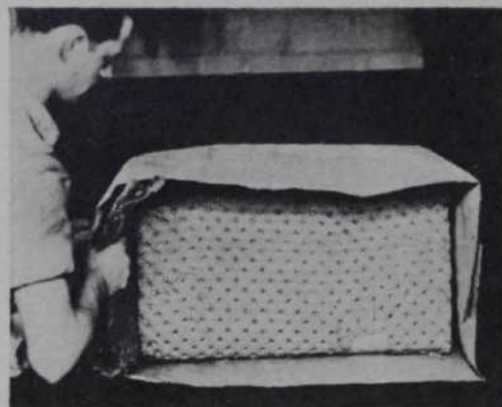
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The U. S. and World Affairs

THE world picture, as a new year dawns, offers little enough nourishment for optimism. The second postwar winter finds the peoples of Europe and Asia as starved, as cold, as dependent on outside charity as the first. It finds them, in addition, a lot more hopeless and demoralized.

In Europe the thrill of victory and the romance of resistance have been dulled by time. All energies are siphoned off by the relentless fight for sheer survival, with a consequent collapse of standards and of human dignity. Black markets, anemic currencies, unemployment, hordes of displaced persons on one side of the iron curtain; political terror, forced labor, millions subsisting on foreign relief on the other side—such is the portrait of the continent at the beginning of the new year.

No inner forces of rebirth have arisen from the ruins anywhere, and the victorious powers have failed to provide more than the semblance of a peace settlement.

Inventory of Trouble

In China, the hopes raised by the Marshall mission have faded out and a full-parade civil war seems likely. India, political independence at last within its grasp, is wracked by religious conflict. The Holy Land is an unholy armed camp and the Near East generally is in an explosive condition. An undeclared border war is spreading where Greece, Yugoslavia and Bulgaria meet.

In eastern Europe the consolidation of Soviet dominion proceeds at a stepped-up tempo. A hundred million "liberated" people are harvesting the bitter fruit of appeasement at Yalta. American and British reminders of the solemn pledges of "free and unfettered" elections are being brushed aside with insults.

Rumania, like Yugoslavia and Bulgaria earlier, has gone through the familiar fraud of totalitarian balloting. Poland is scheduled to enact the same comedy on January 19. These proceedings are simply the prelude to a dismantling of the coalition false fronts and the more open assumption of dictatorial power by the Communist minorities. Already Georgi Dimitrov, former head of the Communist International, has taken over in Bulgaria and equivalent moves can be expected in Rumania and Poland.

The approximate unity achieved in our own hemisphere during the war is disintegrating. The projected Rio de Janeiro conference, counted on

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to reinforce the inter-American system, has been repeatedly postponed. As wartime prosperity recedes and economic distress increases, popular sentiment is being turned against the United States by anti-Yanqui propaganda from many directions.

In Argentina a collectivism of the Right, involving piecemeal expropriation of the upper and middle classes, is moving faster than people here have yet realized. It has the outspoken support of Argentine Communists, who are enjoying a degree of freedom denied to other political groups. In Chile, a far-Left combination is in control of the Government, with Communists holding top cabinet posts for the first time in the American hemisphere. These are harbingers of ideological alinements in the New World uncomfortably like those which have tormented the Old World.

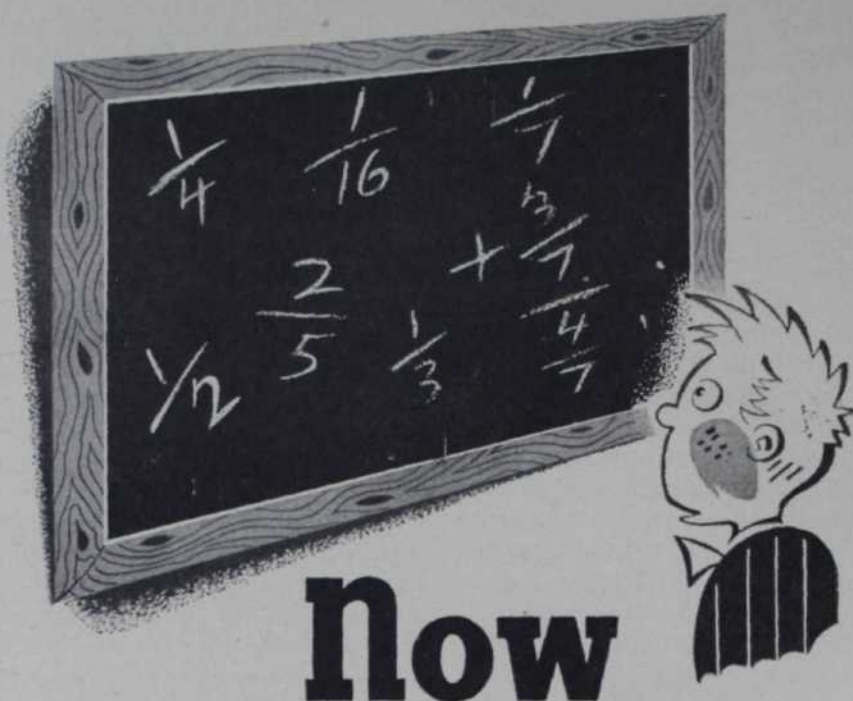
Meanwhile, confidence in the United Nations is being put to extreme tests. The hosannahs of joy with which even minor agreements are greeted and headlined provide the measure of the prevailing doubts. Voting by blocs—Slav, Arab, Latin American—has been an ominous development, and Russian obduracy on the veto issue has not helped any. The prospects of real control of the atom weapon are no brighter than they were a year earlier, and disarmament oratory has not yet affected the new arms race among yesterday's allies. Belated Soviet "concessions" in this area are being skeptically examined for booby traps.

The Limits of Concessions

Despite this impressive and indisputable inventory of trouble, there is a substantial element of encouragement. It is to be found in the fact that Soviet expansionism has, for the time being, been slowed up and probably blocked.

Those blessed with sharp hearing can detect a slight but significant change in the political accent of the Soviet leaders; a certain retreat from unmitigated truculence. While it is "tactical" only, implying no basic revision of larger strategy or ultimate objectives, it should not be wholly discounted.

When a top-shelf Soviet journalist like David Zaslavsky is allowed to write to the *New York Times* directly that he believes the gulf between East and West can and should be bridged—his wirelessly letter was published on November 24—the matter is not accidental. Under the Russian



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dictatorship there are no such accidents. The seeming contradictions in foreign policy statements by Stalin and Molotov represent neither confusion nor internal conflict, as some commentators suppose. They are intentional and calculated, it may well be, to cover the transition to a more flexible attitude.

The decisive factor in this connection has been, of course, the growing firmness of American and British policy. Both countries have made it clear that they do not intend to buy any more agreements at the price of principle or of fundamental western interests. After the defeat of the "Wallace rebellion" here and the parallel Parliamentary "Labor rebellion" in England, the Politburo in the Kremlin must understand that the abandonment of appeasement methods is in earnest and for long.

Both "rebellions," indeed, may be reasonably regarded as exploratory tests by Moscow about the seriousness of the new firmness and the depth of Anglo-American unity as against Russian pretensions. The motives of the "rebels" were varied but there is little doubt that Communist-oriented minorities pulled the strings. If there is still an edge of doubt as to the magnitude of Mr. Bevin's support, there is none at all in the case of Mr. Byrnes—the November elections underlined the popular verdict which had forced Wallace's removal from the Truman cabinet.

Restoration of World Trade

The new mood in the non-Soviet camp is discernible in a tendency to go ahead with essential business in restoring normal life without Russia while leaving the doors wide open for future Soviet entry. This has been demonstrated by UNESCO—the United Nations Educational, Scientific and Cultural Organization—which is proceeding with its work despite Soviet abstention. It has been demonstrated in a more vital domain by the 17 nation preparatory meeting in London of the International Conference on Trade and Employment, again without benefit of Russian participation.

The London gathering produced a tentative trade charter substantially along the lines suggested by the American delegation. It looks toward the revival and stabilization of world economy. While the draft charter is not binding, it does provide a background favorable to success in the more definitive Geneva conference scheduled for April. Implicit in the document, and in the pronouncements of the countries to sign it, is a determination to restore world trade at least among the nations not under irresistible Soviet pressures.

Since American capital and resources are central in any workable plan for resumption of large-scale world commerce, the recent New York con-

vention of the National Foreign Trade Council deserves mention in this context.

Private and government spokesmen alike emphasized the American desire to remove trade barriers and the encouragement of immense American investments abroad. William K. Jackson, president of the Chamber of Commerce of the United States, summed up the mood of the convention and of business opinion generally in his address at the final session.

"We can and we must use the full leverage of American economic might," he said, "to restore a modicum of order in the world—to give nations now in the depths of self-doubt and despair a new lease on hope. I submit that we must throw the full weight of our economic power into the scales of world affairs. I submit that sensible economic measures now will obviate the necessity for military measures later."

America in China

A series of defeats for the Communist armies in China points to a check on Soviet ambitions in Asia as well. Generalissimo Chiang Kai-shek felt strong enough at last to summon the long-delayed meeting of a National Assembly over the protests and threats of the Communists. Other favorable factors in that area are the success of General MacArthur in Japan, progress in the settlement of the Indonesian situation and the failure of Communist infiltration efforts in southern Korea.

It is to be hoped that the United States will not throw away its immense advantages in Asia by yielding to the inspired clamor for American withdrawal from China.

Whether the attempt to force upon China a coalition regime embracing the Communists and giving them special military rights was wise to begin with is open to question. Certainly experiments with similar combinations elsewhere—notably in Poland and Yugoslavia—have been disastrous for the cause of human rights and western interests. In any event, the attempt in China has failed.

Since we cannot in common sense help the rebel forces—and withdrawal under the righteous pretext of neutrality would constitute help of the first magnitude—we have little alternative but to make our help to the Central Government as effective as possible. The memory of the Spanish civil war, where a misguided neutrality did irreparable damage, can be invoked with real justification in appraising the Chinese puzzle.



EUGENE LYONS



A Good Resolution for Industrialists

One of the wisest things a business man can do is to promise himself to "Look Ahead—Look South" in 1947.

Here, in the South served by the 8,000-mile Southern Railway System, one industry after another is finding the answer to the all-important postwar problem of how to produce and distribute with economy and profit.

Forward-looking industrialists are quick to see the advantage of locating their plants

where there's an endless variety of raw materials...a mild climate year 'round...a pool of skilled, cooperative workers...and a large and fast-growing consumer market.

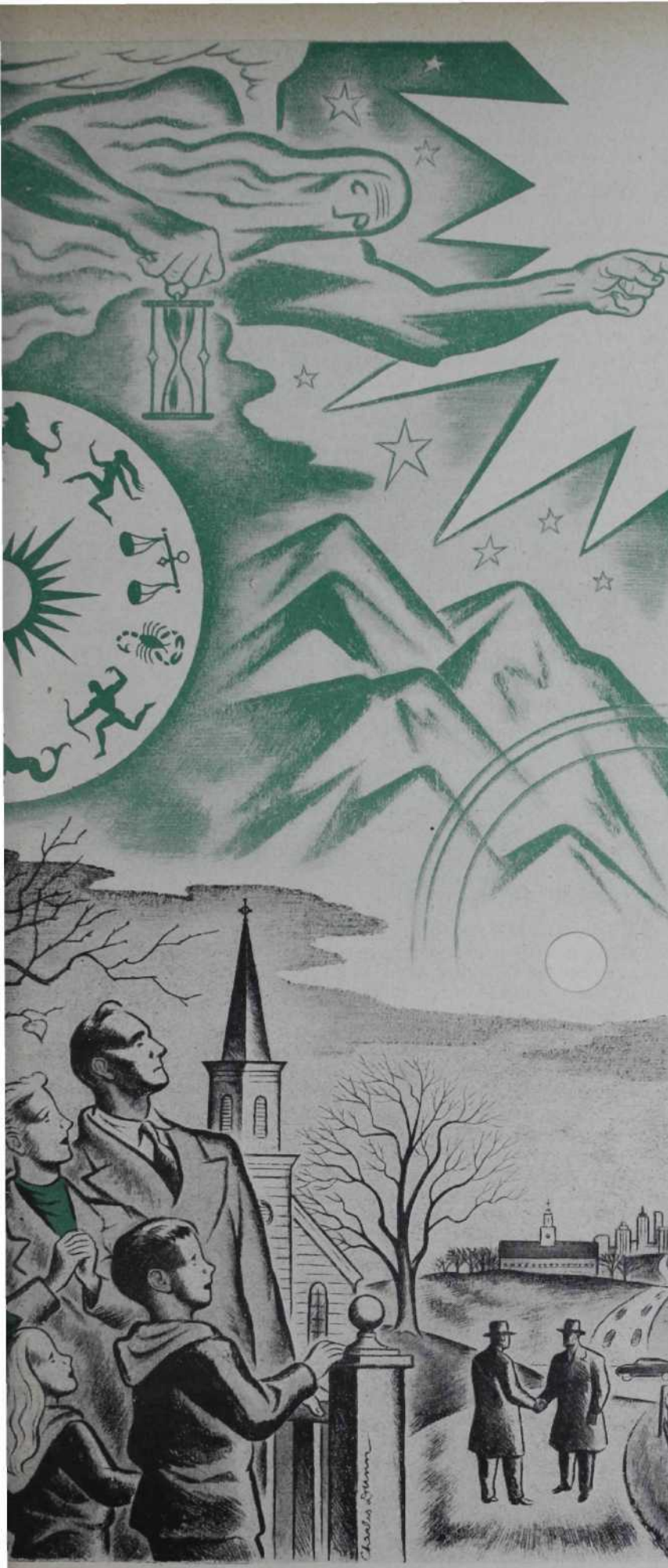
Whatever the industry, there's a bright future for it in this thriving section of the country as you'll discover if you make *and keep* a resolution to "Look Ahead—Look South" in 1947.

Ernest E. Harris
President



SOUTHERN RAILWAY SYSTEM

The Southern Serves the South



A Happy New Year to Us All...

By R. L. DUFFUS

THERE is no law of nature that compels us to call one day Tuesday, December 31, 1946, and the next day Wednesday, January 1, 1947. We invented these notions ourselves. We might have picked any other two days to mark the end of one year and the beginning of another. In former times we did. The year ended in March.

But if the year's end and the year's beginning do not derive from a law of one kind of nature they do derive from a law of another kind—namely, human nature. It is human to like to end things. It is human to like to begin things. It is human to like to rub the mistakes and misfortunes of one year off the slate and write something different and better; it is human, in the northern hemisphere, to strike a balance sheet at the end of December and cheat a little to make it show black instead of red; it is human to be hopeful.

Consequently it is well to be shy of predictions and reassurances that are issued just because the earth has reached a certain point in its tour around the sun. Let us try not to

CHARLES DUNN

make any such. Let us have no foolish optimism.

On the other hand, let us have no foolish pessimism. If we can find a few things to be pleased about and thankful for, let us trot them out.

With the holiday spirit in the air we cannot decently be pleased or thankful over things that we have or expect to have at the expense of other people. We cannot rightly proclaim a Happy New Year because we have two beefsteaks or even two chickens and our neighbor has none; because we have a job or a house and our neighbor has none; because we are making money and he is losing.

Happiness for all

THE kind of Happy New Year we have a right to wish for is the kind that adds, or can add, to everybody's happiness.

In spite of all the entries on the red side of the ledger, in spite of all the bad news that arrives with the milk every morning, there are some hopeful remarks that can truthfully be uttered about the United States, the world and the human race.

We can be glad because we are not at war, and because we are taking part in a world-wide attempt to end war forever. The results are sometimes discouraging. The effort will have to continue. Nevertheless we are trying, and people in other countries are trying. No statesman anywhere today dares get up and say he does not believe in peace on earth, good will among men. The statesmen who said that are dead.

We can be glad because the rest of the world and ourselves are beginning to get over the effects of World War II. This, too, is slow and hard. You cannot clear up after a six-year war in 18 months. There are still many cold, sick, hungry and depressed people in foreign lands. In spite of setbacks here and there, the number has diminished.

We can be glad because the world around there is a little less hate and a little more freedom. Exceptions can be noted but the statement holds. There are some signs that people are struggling for more freedom even in lands where censorship does not permit the whole story to be told.

We can be glad because in our own country we have not turned our backs on freedom and good will, and are not going to do so. We are sorry for all the ructions, name-calling, threatening, blun-

dering and stoppages of production that have prevented this nation from earning as good a living for itself as it might have done.

But we can be glad that we never thought of selling our freedom in order to avoid these nuisances. We can be glad that neither the business man nor the worker is enslaved to a big boss of a big system.

We can be glad because matters do get worked out, often crudely but in a way that does not violate the democratic spirit and the dignity of man.

We can be glad because the business men, the technicians and inventors, the working men, professional people and farmers of this country managed to turn over from war to peace as well as they did, which was a lot better than most of the prophets expected.

We can be glad that the dream of 60,000,000 jobs has come close to being realized. We can yell over the taxes we have to pay and still be glad that individually and nationally we have the money to pay them, with about twice as much left as our total national income of a dozen years ago. We can be glad of the energy and guts which make this possible. We can be glad that neither a long depression nor a horrible war has taken the spirit out of the American people.

A voice in government

WE can be glad that our form of government is still working well, and that every sane and law-abiding adult had a chance in November to have his say as to who should run it and what its policies should be.

We can be glad that the returns didn't run 96.8 per cent in favor of any candidate or party. We can be glad that some people some of us don't like were elected. We can be glad that some people were allowed to make fools of themselves. We can be glad that we are not required to be unanimous as to what a man has to do to make a fool of himself.

These things are a part of freedom. We can be glad we are that free: annoyingly free, wastefully free, foolishly free, but free.

We can be glad that under this freedom the talents of the individual American are not systematically stifled. We can be glad that, though the nature of opportunity in this country has changed, opportunity still exists; if anything, it has been broadened by better living conditions, better health and better education, all of which

aid the individual to seize his chance when it comes.

We can be glad that men are now honored here less for their possessions than for what they are able to do to improve the condition of their fellow men; and this whether they are business men who give us better goods at lower cost, labor leaders who have learned moderation and responsibility, professional men who have mastered the techniques of life and health, or artists, writers, musicians and actors who move us to laughter, to thought or to tears.

Continued improvement

AMERICA has been called materialistic. We can be glad that it was never wholly that, and that it is less than it used to be. We have the resources, the knowledge and the machinery to produce plenty for everyone. We have not yet fully succeeded in doing so. We can be glad that our tendency is to push on, that we have sympathy for the widow, the orphan, the sick, the hard-pressed by life.

We can be glad that we continue to build here the ancient dream of tranquillity and peace.

We face a challenge—we can be glad that we do. We are challenged by a preeminent position in the world, by a general wealth not known anywhere else ever, by the possession of power that could do terrible harm if it ran amuck.

We can be glad—and we should be humbly glad—that this position has come to us as the result of the peopling of an undeveloped continent by men of nearly all earth's races and faiths. We can be glad that it has been proven here that there can be a brotherhood of man, unforced, unregimented, in a free society.

We can be glad that it lies with us to preach and practice a new birth of freedom: freedom in the production and distribution of material things, freedom of thinking, freedom of hoping.

We can be glad in the firm belief that the year 1947 is not the threshold of decline and despair in a worn-out civilization, but the morning of a new day.

The road forward will be hard and long. We can be glad that we have the strength to take it unafraid. We can be glad that we have a chance here to break a trail which all humanity may wish to follow, with hope for all.

In this spirit we have a right, at this dot in space and time, to wish ourselves, as we wish all mankind, a Happy New Year.

Get the Devil Out of Business

By **LOWELL B. MASON**

Member, Federal Trade Commission

THE Federal Trade Commission is breaking away from its old hit-or-miss system of dealing with bad business practices



Picking someone for FTC to sue used to be like playing "pin the tail on the donkey"

IT DISGUSTS me every time some sanctimonious bureaucrat drags out that old cliché of Adam Smith's, about when business men get together at a picnic, it means no good for the public.

For the past 50 years this cynical side remark of an 18th Century Glasgow professor has been the battle cry of a cult of economists and attorneys—honest men for the most part. There is, however, a sprinkling of sophisticated demagogues in their midst. This is the burden of their song:

Business men are innately depraved and, when given a chance, industrialists devote their joint energies to mulcting the public, rigging the market, fixing prices and deceiving the consumer.

If everything this cult chants is true, you had better pack a pistol the next time you visit your corner drugstore and take along a couple of witnesses when dickering with your tailor for a suit.

Business—especially if it is big—has reached a social status somewhat lower than the itinerant peddlers of King Arthur's day. In those times no gentleman ever went into trade, and if the cult folks who now engage in what historian Charles Beard refers to as the "antitrust racket" have their way, few modern gentlemen will care to stay in business.

Saved by law of averages

EVEN today about the only thing that keeps a business man off the wrong end of a federal indictment or an administrative agency's complaint is the fact that, under hit-or-miss methods of prosecution, the law of averages hasn't yet made him a party to a suit.

But business men need not worry too much. In the first place, people are seriously considering whether we shouldn't revamp our medieval methods of dealing with

mercantile law. Second, even if we continued to dog along in the antiquated footsteps of Adam Smith, the chances of getting caught are about a thousand to one.

You see, the whole thing works like this: The Federal Trade Commission lists 2,200 inhibitions which it has exercised against business men. In addition, there are hundreds of different indictments, injunctions and suits upon which the Antitrust Division of the Department of Justice can rely as precedent for declaring certain other practices illegal. Thus any man engaged in interstate commerce (if the Government once sets out to prosecute him) could hardly avoid having some kind of order hung around his neck. In the world of commerce Government takes universality of wrongdoing so far granted that, in filing indictments, informations and complaints, little effort is made to hide the fact that determining who

shall be sued is like playing "pin the tail on the donkey," with everybody blindfolded, including the spectators.

Of course, there are certain things which set the general pattern of prosecution.

First, how much money does Congress give to prosecute cases? If it gives a lot, we prosecute a lot. If it gives a little, we prosecute a little—for there is an inexhaustible supply of culprits or scapegoats (whichever you want to call them) that can be shrunk or fattened to fit the public purse.

Second, the fan mail. With hundreds of persons in an industry engaged in the same practices, the way to determine whom to sue is to watch the fan mail.

Fan mail starts suits

FROM the figures I have studied in the Federal Trade Commission, fan mail is increasingly important as a means of starting suits. I would say that more than half the charges result from competitors' complaints. The method follows closely the procedure inaugurated in the 14th Century in Venice. A locked box with a slit in it was kept

just outside the ducal palace where the Doge lived. This box was in the shape of a lion so it became known as the "Lion's Mouth." Any Venetian was encouraged to spy on his neighbors, and then inform against them by dropping a message in the "Lion's Mouth." Our method has changed somewhat. Today one just walks to the nearest mail box.

So this is what happens:

Somebody doesn't like you—he writes in to Uncle Sam—Uncle Sam sues you. Plenty of other boys may be doing the same things you are but they are not mentioned.

They are not mentioned because the individual complainant (whose identity the Government keeps secret) has neither the desire nor the capacity to survey the whole industry in question—besides he may not be so simon pure himself if he is in the same business. At any rate, Uncle Sam ignores the balance of them, or in the complaint makes a passing anonymous reference to them, as for instance:

"Representative of a group or class of a large number of . . . concerns . . . and all of whom are hereby made respondents without being individually named herein because they constitute a class or

group too numerous to be brought before the Commission . . . without manifest inconvenience and delay."

But, the fan mail being on you, it's your name you see in the papers as a defendant in a suit by Uncle Sam.

Next day the fellows at the club and the folks at church are just a bit overcordial, because they want you to feel your trouble with Uncle Sam in no way changes their regard for you.

Anyhow you hire the lawyers; you pay the court reporters' fees and the travel expense, and you take time off to prepare your defense and attend hearings.

Must we be so barren of ideas, so tied down to second-hand theories, that all we can do is shrug off the injustice of this method? Must this be one of the unavoidable inequalities in an economic democracy? Do we have to lay one business man open to thousands of dollars of expense while dozens of others who are publicly known to engage in the same activity go scot free?

Litigation cuts tax revenue

THE other day I talked to a business man whom the Government had sued for engaging in a practice generally current in his trade; a practice which, incidentally, has been followed by many other industries. I cite this merely to illustrate one of the fundamental reasons for a change in Government's approach to correcting bad business habits. This man gave me a statement of his legal and accounting fees and other expenses incident to this case which has been going on since 1936. The total was \$86,236.77.

But let's look at what has happened to our Government's own cash drawer as a result of this litigation. People forget that Uncle Sam really foots the bill on both sides. The \$86,236.77 which the business man paid for legal fees, accounting fees, salaries and expenses was deducted for income tax purposes. Figuring the additional federal normal, surtax and excess profits taxes that would have been paid to the Government in each year if the company had not had those deductions, we find that the tax collectors got \$35,000 less because of this suit.

Now that's only one of many companies the Government prosecuted. Scuttlebutt has it that, in another industry, defendants in a

(Continued on page 73)



The "get-tough-with-bigness" policy is reminiscent of Robin Hood's procedure and, at least, has the blessing of antiquity



On the stand Alice Barrows denied that revolution was discussed at her party

How Right Was Dr. Wirt?

By JUNIUS B. WOOD

THE New Dealers denied it when Dr. Wirt reported that they had a definite plan for setting up a new order

AS THE sun rose across the United States and morning newspapers joined the breakfast coffee on March 24, 1934, William Albert Wirt became famous. In a few more hours, the name of Dr. Wirt, using his scholastic title, was echoing around the world.

The quiet professor, who already stood high in educational circles, had precipitated himself into the rough melee of politics with a prophetic "whither are we drifting?" soliloquy. While the country was placidly drifting away from constitutional government, he said, the course was secretly and adroitly steered by what he designated as the "Brain Trust" of the New Deal.

Many of the warriors of that past decade have departed this earthly stage, others did not make the grade at the polls or voluntarily retired to quieter fields and only a few battle-scarred gladiators remain in the political arena. Time can pass judgment on what Dr. Wirt foresaw 12 years ago.

NATION'S BUSINESS for January, 1947



"HE'S GONNA GETCHA IF YOU DON'T WATCH OUT"

DUFFY—BALTIMORE SUN

In an historical movie, the election of last November would provide the grand climax to the pillorying of Dr. Wirt. With the passing of years, many of the old scenes are now rich comedy. At the time, they were serious drama. A little man was shaking the foundations of the republic and the might of government was mobilized against him.

Dr. Wirt was superintendent of schools in Gary, Ind. He had developed a new study method which was easier on the children and reduced the teaching staff. Its economy appealed to budget makers and he had been adviser at a generous salary to the New York City Board of Education. Pedagogues knew his name but it was not news to others.

His "whither are we drifting?" letter was an extra-curricular activity. It was not for his own teaching staff. The aldermen or local editor might cry politics. He had a hundred copies run off on the office mimeograph. He mailed them to friends and to



These six were at the party. Later they testified that Dr. Wirt himself had done all the talking. Left to right: David Cushman Coyle, Mary Taylor, Alice Barrows, Hildegard Kneeland, Robert Bruere, Laurence Todd

PHOTOS BY ACME



This is the house where the party was held, where the people talked, that Dr. Wirt wrote his letter about



HERBLOCK—NEA

newspapers in the larger cities. The letter didn't show even in a "Letters to the Editor" catchall. Like other bread on the waters, the article floated along for months without causing a ripple.

Came March 23, with the House Committee on Interstate and Foreign Commerce discussing the then proposed Securities and Exchange Act. The hearings had droned along for days but on this afternoon, James H. Rand, Jr., chairman of the Committee for the Nation, came across a copy of the Wirt letter among his papers.

It had no direct bearing on the subject under discussion but, chiefly to enliven a dull session, he read it to the committee. It was pointed and brief, and the next morning was in every newspaper in

the country. It was a big story for weeks. In his letter, Dr. Wirt declared that those he called the "Brain Trust" hoped to establish a new social order in the United States. As steps to this end, they proposed:

1. To keep Communists in key positions in the Government.
2. To substitute decrees by executive departments and agencies for organic law.
3. To replace private industry and commerce with a planned economy.
4. To decentralize cities and redistribute industry and population through housing projects.
5. To end private lending agencies and control borrowers by federal monopoly of long-term commercial loans.
6. To dictate policies of newspapers, magazines and other avenues of public opinion.
7. To corral the farm vote through subsidies.
8. To quiet business and labor by doles to make them dependent on the Government.
9. To chill the spine of business by public investigations.
10. To discredit financiers by picturing them as crooks.
11. To call political opponents traitors and use the

police power of the state to crack down on them.

12. To keep President Roosevelt, as the Kerensky of the revolution, in the middle of a swift stream and intoxicated with his decisions until he could be replaced by a determined dictator.

The New Deal, in office only a year, was young and touchy. Its heaviest artillery rumbled forward to repel this first attack from the academic front. To picture the dawning era as a plot to overthrow the traditions of Washington, Jefferson and Lincoln was political heresy. Congress added its weight to the clamor.

Speaker Henry T. Rainey of Carrollton, Ill. (deceased Oct. 19, 1934), demanded action by the FBI and threatened to cite Dr. Wirt for some kind of contempt. In a few hours Representative Alfred L. Bulwinkle of Gastonia, N. C., today the sole congressional survivor of the melee, had drafted a resolution for an investigation.

Representative George Foulkes of Hartford, Mich., rose to orate on "intellectual jackasses," and Representative Raymond J. Cannon of Milwaukee talked about "clowns and publicity seekers." Representative Charles Vilas Truax of Bucyrus, Ohio (d. Aug. 9, 1935) discovered a frame-up by J. P. Morgan & Co.; while Representative William P. Connery, Jr., of Lynn, Mass. (d. June 15, 1937), scented the trail of U. S. Steel because the smoke of rolling mills hangs heavy over Gary.

Pravda, organ of the Communist Party in Moscow, pooh-poohed the whole affair as a "bourgeois plot." Partisan home editors and commentators decided "mocking levity" was the best line of defense.

A. A. Berle, Jr., at the time city chamberlain of New York City, described Dr. Wirt as a "credulous old duffer." Harold Ickes, then new as secretary of the Interior, said PWA's refusal of a loan to Porter County, Ind., had made him a "sorehead."

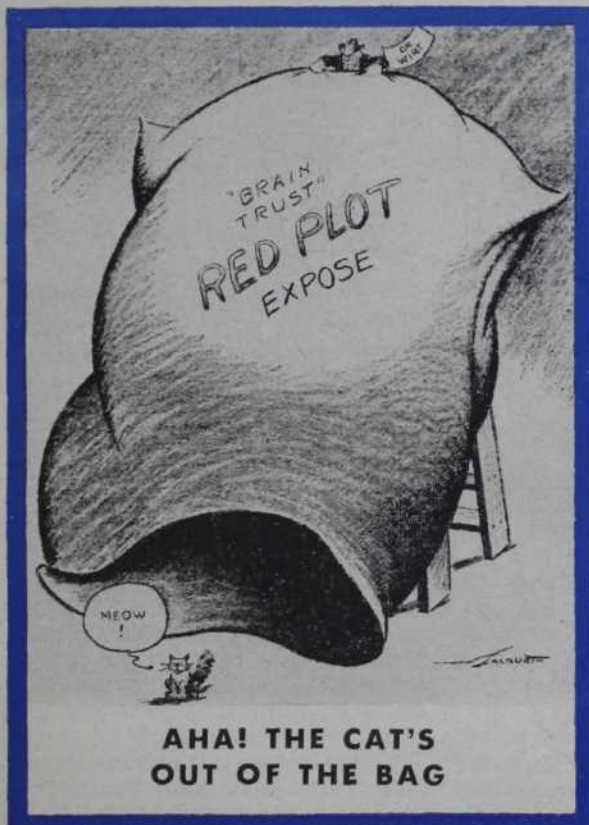
Donald R. Richberg, as general counsel for Gen. Hugh S. Johnson (d. Apr. 15, 1942), at that time head of the NRA, pictured Dr. Wirt as spokesman for "the league of stuffed shirts composed of discredited economists, financial writers, editorial oracles and do-nothing politicians." Mr. Richberg also enrolled himself as poet laureate of the New Deal with:

Cuttlefish squirt,
Nobody hurt;
This is the end
Of Dr. Wirt.

Mrs. Roosevelt added a juvenile note at her "ladies of the press" conference. With appreciative giggles and sighs from the floor-squatting group, she demonstrated how Dr. Wirt had plagiarized from "Alice in Wonderland" his idea that the bad boys of the New Deal might run away with her husband. Papa was telling a bear story to Alice and her little friends when suddenly they looked up and he was gone. The bears had taken him. The Elisha bear story where the bears chased the detractors of a prophet would be more apt today.

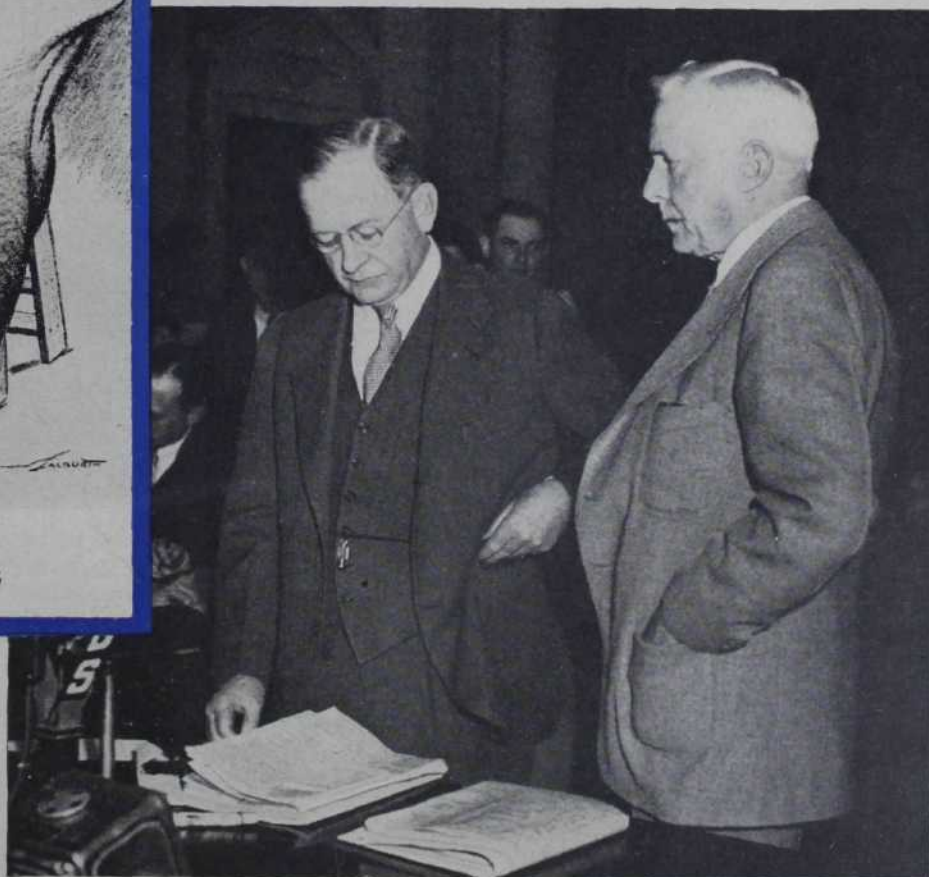
Instead of ducking for cover under fire, Dr. Wirt was becoming more famous every hour. Speaker

(Continued on page 76)



TALBURT—WASHINGTON DAILY NEWS

Dr. William A. Wirt (left), as he appeared before the House Investigating Committee with his counsel, former Sen. James A. Reed



Helping Yourself to a

THE NEW CONGRESS will be as good or bad as we make it by our own attitude and energy. An old Washington hand gives a few tips on how to help your congressman

1



WRITE TODAY

Your congressman will get a lift out of receiving a letter from you—not asking him for anything—but letting him know that you have confidence in him

2



ACT AS EYES

Help your congressman by acting as his local eyes and ears. His chief interests are at home—and will remain there so long as he is representative

3



BE PREPARED

Don't go on record on a bill until you are sure you know exactly what you are talking about. Best preliminary step is to get in touch with your trade association and request every available bit of current information on the subject

A GENTLEMAN in the rear of the hall sends this question to the platform: "How much may we expect to get out of the new Congress?"

A question, sir, that can be answered only with another:

"How much will the new Congress get out of you?"

Congress, which usually reflects fairly accurately the attitude, energy and willingness to serve of the people who seat it, will be approximately as good or bad as we make it.

Whether Congress moves steadily forward, stalls or slides back depends on the wholehearted efforts of the crews of its double-header engines. Those two crews are the members and the voters. The member engine will be out in front, puffing, smoking and sometimes emitting loud noises. We, the voters, man the pusher or second engine and our job is to push

and push hard. Especially on the grades. The steeper they become, the greater our obligation to shovel on the coal and build up more steam.

For the next few years particularly, the climb over the hump is going to be a good full two-engine job. More so than ever before in our history, perhaps.

The presence of many new members in the first engine crew makes it especially important that the second engine crew not falter. Making the grade is difficult enough for old crew members who have been over legislative hills before. It is much harder for newcomers. There is so much that is new to learn due to greatly expanded government activities in recent years. Persons unfamiliar with Washington scarcely can realize the magnitude of the job confronting senators and members

of the House. Even as a 30-year resident, long familiar with congressional and other government contacts, I find it necessary to explore new avenues daily.

It is to be hoped that you already have registered your willingness to serve in the second engine crew. Perhaps you did it in the campaign just past by helping your senators or representative directly, or equally important by promoting discussion of national issues. Whether you did anything or not, it is important that you get on the crew now.

Today is the time to make a contact with your Washington repre-

Good Congress

By LABERT ST. CLAIR

sentatives and express your interest in their efforts to be of service to the nation. For the sake of brevity, let's refer to them hereinafter as your congressmen. All are members of the Congress whether in the House or the Senate.

Write your congressman a letter now. Maybe you doubt if you have anything of interest to say to him. But you have, and especially if he is a new member. Whether he is new or old, like every member at the opening of a new session, his mind is filled with doubts and perplexities. No matter how brave a front he is putting on, if he is conscientious—and most members are—he feels his responsibility and

4



CHECK UP

Make certain that no one in your business group—such as an executive secretary—has put the group on record for or against any proposed piece of legislation without first polling the members of the organization on it

because who always knows what is right?

So you can do a real service to him and the nation if you will, at the outset, just drop him a line telling him something to the effect that the people sent him to Washington because they felt that he would do the best he knew how. You have no idea what a lift that alone will give him.

Maybe it will strike you that this would be a heck of a weak letter to write to a statesman who down in Washington is strug-

5



BE FAIR

You have no right as a citizen to ask your congressman to support any legislation which you, standing in his shoes, would not back yourself

6



ASK NO FAVORS

Don't assume that because you have helped your congressman, you should be given preference in legislative matters. When your congressman gets you a hearing, he has done a good deal for you right there

7



SPEAK UP

Don't hesitate to act for fear of being smeared as a "lobbyist." Committees of Congress want your views and advice on legislation

may be just a little bit lonely.

Ever in his mind are the many folks he represents. He wants to do the popular thing, of course, for his job depends on that, but he also wants to do the right thing. That, in these hectic days, is not always easy to do

gling with great international problems. There are two things wrong with that impression at this stage of the game, and he would be the first to tell you so. First, he probably is not a statesman yet. Second, the leaders have not called him in to date to give them his ideas on a complete foreign program.

Instead, he is the same lawyer

who drew that bill of sale for you last October and said \$2 was all it was worth.

The only problem with a foreign tinge he has grappled with so far this session is how to get rid of that spot left by a gob of Russian dressing on his blue serge suit.

Of domestic problems, however, he has plenty. Where to find a place to live; how to get all of the boys whose fathers want them back on the farm out of the Army; how to find jobs for the scores of party supporters who are after him; how to reconcile the differences of the opposing Palestine groups that are waiting in his outer office; how to get on a good committee without appearing to be hoggish; how to arrange for the daughter of one of his strongest supporters to meet Queen Elizabeth, and the son of another to be admitted to West Point, and so

ously. They may desire to, but they cannot do it, ever.

Just because a million jobs are slated to be abolished does not mean that they will be. A lot of workers, it will be found, are protected by civil service. Others will prove "absolutely indispensable."

Not a few hundred will show to the satisfaction of the most ardent political investigator that they have been voting the Republican ticket ever since the first Free Silver campaign. More than you would imagine will hold tighter to their desks than the varnish on them.

When you write your congressman, give him your views on outstanding national and international problems. A lot of front-rank members of both major parties do not know all the answers to such questions today. There will be much pondering and some switching of opinions on these issues before the final votes on them are cast. In your letter, ask your member what the thinking is on these issues. If he has personal opinions, he will express them

ing of war powers and cuts costs, it will do well.

Rather than pressing your member for solutions of all the outstanding problems of the world, help him get his feet on the Capitol ground by acting as local eyes and ears for him at home. There is where his important interests are and will remain so long as he is a good representative of his people. If and when his principal interests move elsewhere, his constituents will sense it quickly—and make arrangements for other representation. Until then, the most valuable regular service you can render is to help keep him informed on what is going on among his voters.

Contacts keep jobs

WISE members never permit their home contacts to languish. One of the smartest politicians ever to hit Washington was the late Champ Clark, one time speaker. He kept himself in the House for decades chiefly by maintaining close home connections. Every working morning he would devote all the time he could spare to reading newspapers from his district and getting leads for writing letters back home.

Other congressmen still follow Clark's plan. Go into the office of any member of either house who has been in Washington a long time and you will see a stack of district papers neatly piled up awaiting his perusal. Most of these good members have a standing order that no home papers may be destroyed until they, or someone in their

(Continued on page 58)

8



GIVE NAME

Until you know your congressman well, always identify yourself fully when you approach him. Suggest to your friends that they do the same thing

forth. You think a man who is faced with all of that and much more does not need kind words and support? Brother, oh brother!

Whatever you write, do not ask him for a job for anybody. Just about everyone asks congressmen for jobs.

There are not now, never have been and never will be enough jobs for one-hundredth part of the applicants. To ask for a job now will only embarrass him and add to his burdens.

Don't take the newspaper stories about the Republicans cutting federal payrolls immediately too seri-

ously. If he has none as yet, he will be grateful to you for not pinning him down too definitely this early in the session.

With a new party in power, Congress will be somewhat slow in passing even big bills. Of course, there is a flurry of measures of all sizes now, but passage of any of them is weeks away. If Congress this session passes a few big bills dealing with taxation, labor and curb-

9



BE BRIEF

Don't take too much of his time. Remember you are just one of the many persons in his district he is under obligation to serve

10



DON'T FUMBLE

Don't let him feed you. He may, of course, protest against your picking up the check. But you pick it up anyway. He is under enormous expense, and the chances are that he has to cut financial corners to make ends meet

The Second Bonus March

By SAM STAVISKY

THIS TIME the country will be asked to dig deep. How deep? Some say as much as 40 to 50 billion dollars

AN HOUR after the World War I armistice had been signed, a veterans' bonus bill was tossed into the congressional hopper. But then, everything moved more slowly three decades ago.

Long before World War II hostilities ended, a stack of bonus bills had been introduced in the House and Senate. Vermont actually voted a state bonus half a year before Pearl Harbor.

The World War II bonus is on the march, and the marchers are gaining in numbers and strength each passing day. Six states already have voted a World War II bonus. In a half dozen other states, veterans have massed at the state capitols to demand special legislative action for the ex-GIs—and the bonus to boot.

The national veterans' bonus—on top of any state grants—is still a few years off. World War II already has cost the United States \$335,000,000,000. More billions are still to be accounted for in future hospitalization and other benefits to the veterans.

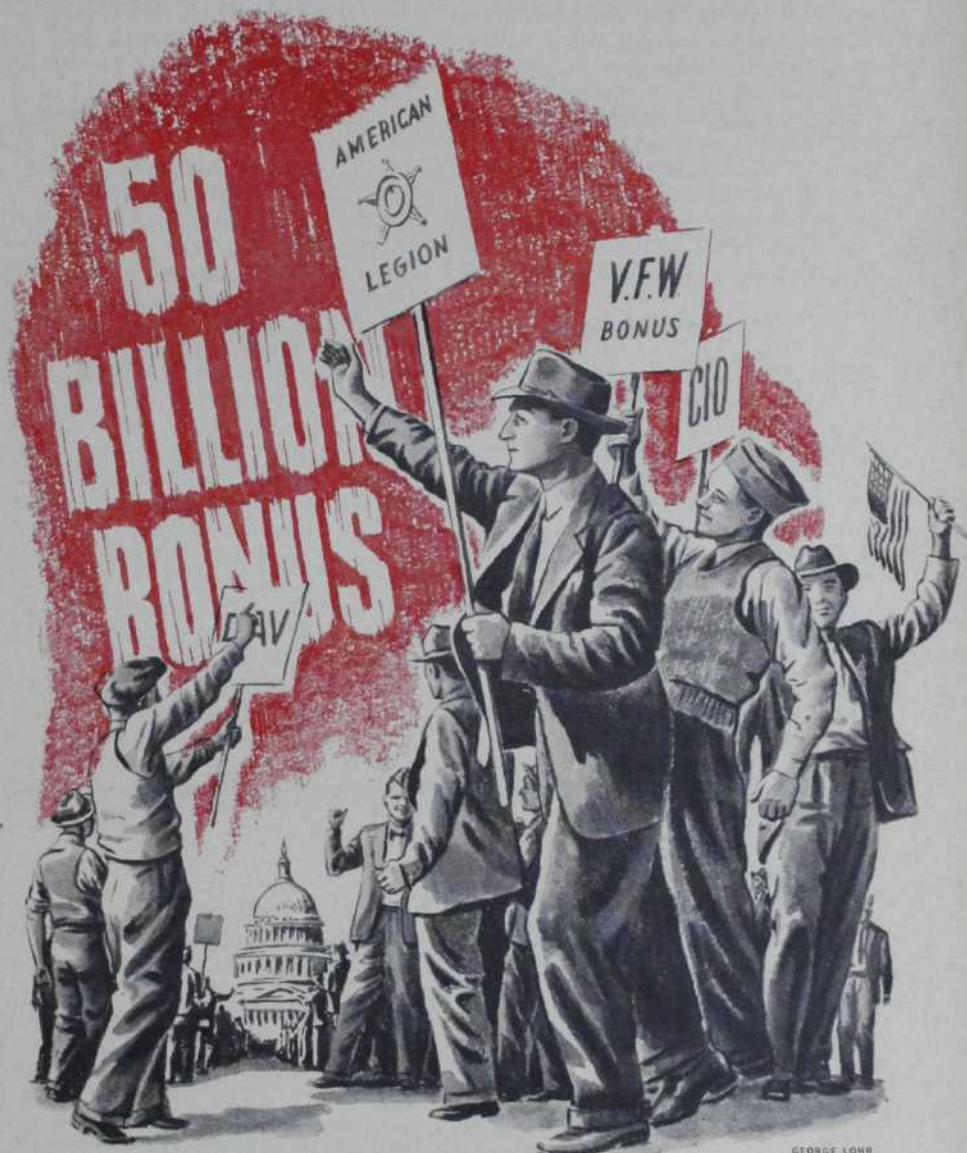
A World War II bonus would add between \$40,000,000,000 and \$50,000,000,000 to this sum.

That's just an estimate, of course, but a fairly conservative one. Most bills for the bonus call for a maximum payment of \$5,000. If you figure 16,000,000 veterans coming out of World War II, and say that the average bonus payment will be only \$2,500, the outright bonus cost hits \$40,000,000,000. Interest for a 20 year period of amortization would increase that sum by \$10,000,000,000.

Just how much is \$50,000,000,000?

It is one-fourth more than the federal budget for 1947 expenditures.

It is just a little more than taxes



GEORGE LOHR

Just how much is 50 billion dollars? It's one-fourth more than the federal budget for '47, and equal to our income for '34

and all other receipts accruing to the federal Government in 1946.

It is equal to the total national income—the value of all goods and services produced in this country—for 1934.

It is one and one-half times the cost of World War I.

The bonus for World War I cost about \$4,000,000,000. Terminal leave pay to enlisted men—for unused furlough time accrued in war service—voted by Congress in the last session, will be approximately half that sum.

The American Legion, whose 3,500,000 members make it by far the most potent spokesman for the veterans, has taken no stand on the bonus issue yet. No official stand has been taken by the Amvets, strictly World War II in membership, but a poll of its posts recently came out overwhelmingly for the national bonus.

The American Veterans Committee has been opposed to a bonus—state or national—but even within this "Citizens First, Veterans Second" organization, the pro-

bonus minority was defeated only two to one at the national convention.

This does not mean that pressure for bonus payments is lacking. The Veterans of Foreign Wars, Disabled American Veterans, the United Auto Workers, United Electrical Workers, the Conference of Union Labor Legionnaires (comprising 100 Legion posts), and the Communist Party have publicly endorsed the bonus. Moreover a recent Gallup survey showed 50 per cent of the nation's non-veteran voting population favored paying higher taxes in order to declare state bonuses, as against 41 per cent definitely opposed to the idea.

More may follow

THIS pressure, brought to bear on the 40 legislatures which will meet this winter, is expected to bring gratuities, bounties or adjusted compensation from perhaps twice the 20 states that gave bonuses to their World War I service men. The tentative 40 would include Vermont, New Hampshire, Massachusetts, Rhode Island, Michigan and Illinois, where legislative action for state bonuses already has been taken favorably.

Vermont's state bonus is a modest affair, \$10 for each month of service up to a maximum of \$120. But then the Green Mountain

State has the honor of being first in the World War II parade—having voted a bonus in the spring of '41—in anticipation of the war. New Hampshire's bonus is also modest, \$10 a month up to \$100.

The Bay State came through quickly with \$100, but that was only a starter. Last April, 500 veterans stormed historic Faneuil Hall in Boston to demand \$900 more, to be raised by a state lottery. The \$100 bonus was labelled a "peanut bonus."

After several boisterous hearings, the legislature passed a second bonus of \$100 for domestic service, \$200 for service overseas. Rhode Island is paying a flat \$200 to all honorably discharged members of the armed forces and the merchant marine.

Both Michigan and Illinois are giving their service men \$10 a month for American service, \$15 a month for foreign duty. But, whereas Michigan sets a maximum of \$500, Illinois has no limit, and further provides a bonus of \$900 to the next of kin for the state's war dead.

New York State's legislature approved a \$250 bonus, but the 1947 legislature must reapprove it.

In some states the drive for the bonus has been set back—but only temporarily. Biggest setback occurred recently in Maine, where the legislature had approved a \$150

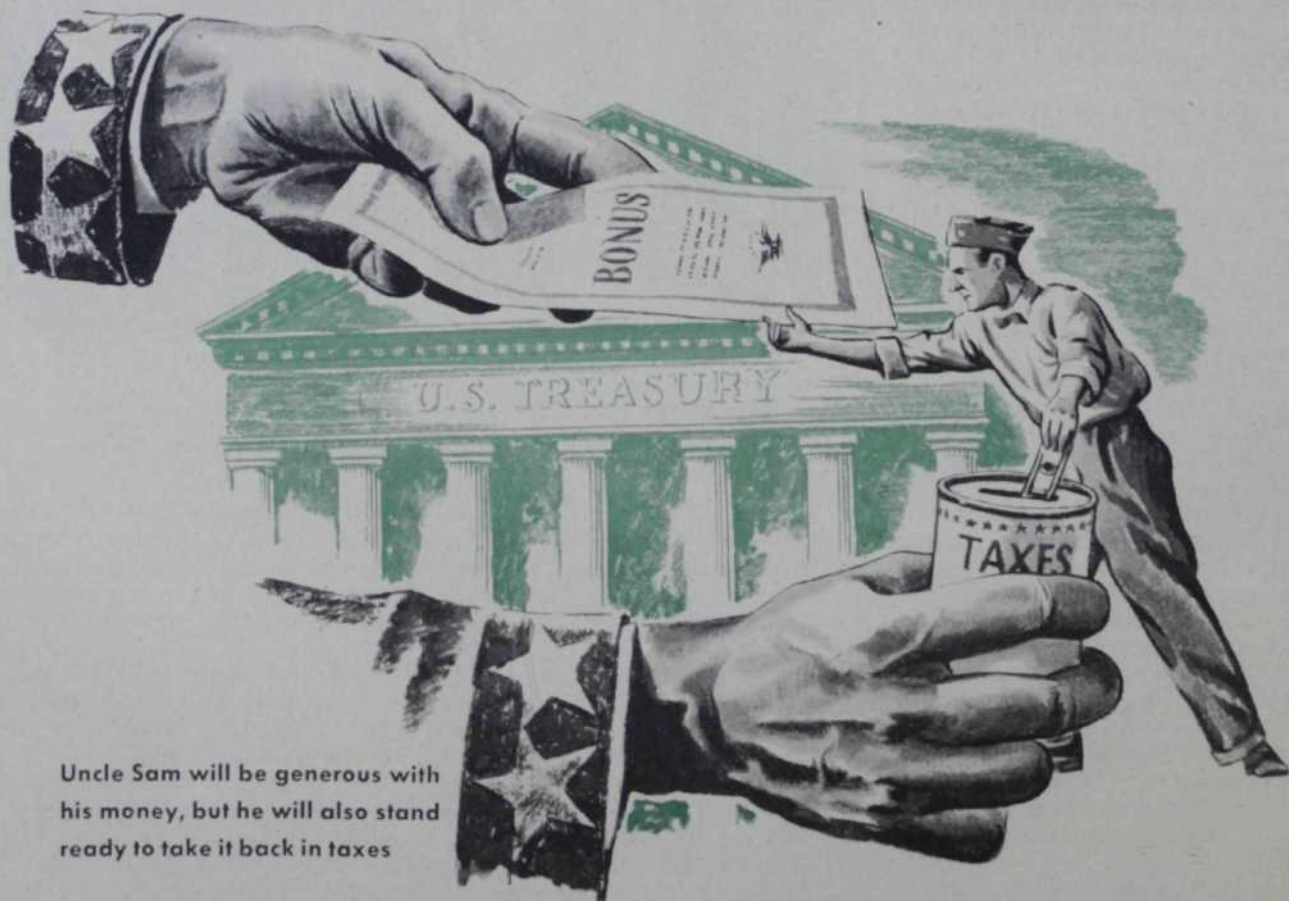
bonus, contingent on approval of the voters. The referendum turned down the idea 2 to 1, despite the fact that the successful Republican candidate for governor urged support of the bonus proposal. The losing gubernatorial candidate, a veteran of World War II, had opposed the bonus, chiefly on the grounds that veterans would have to share in the tax-financing plan.

Some bonus defeats

VETERANS in Missouri defeated a \$400 bonus because the payment was to be financed through a two per cent sales tax. In Louisiana and Ohio the legislatures bottled up bonus bills for the time being.

During 1946 there were demonstrations in several states by veterans demanding that the governors call special legislative sessions to deal with the bonus question. In Pennsylvania, the CIO sponsored a march on the capitol. Five veterans' groups have joined arms in a demand for a bonus in Maryland. In Connecticut, 81 members of the state legislature, all Democrats, presented a petition to Governor Baldwin for a special session. Connecticut Republicans, however, went one step further and put a state bonus in their election campaign. A bi-partisan legislative committee has recommended the

(Continued on page 69)



Uncle Sam will be generous with his money, but he will also stand ready to take it back in taxes

Never neglect a cold!  That will


help avoid pneumonia. But if pneumonia *should* strike,



don't let it frighten you. Medical science, aided by the sulfas and penicillin,



has reduced pneumonia mortality by about one half in the past 10 years.

If more people who have bad colds, or colds that hang on, would call their doctors, the pneumonia death rate would drop  still further!

Remember, pneumonia is communicable, it works fast, and the worst months are ahead. *So, fight pneumonia by guarding against colds.*

Common colds need special care!

Try to keep in the best of health during the winter, for by keeping fit you lessen the risk of colds and pneumonia. However, if you get a bad cold, stay home and go to bed if possible, eat lightly, drink plenty of fruit juices and other liquids. Be especially careful not to get chilled.

Watch out for pneumonia's warning symptoms, which are usually a severe shaking chill followed by fever, coughing accompanied by sharp pains in the side or chest, and often rust-colored sputum. However, one type, *virus pneumonia*, starts slowly with a gradual rise in tem-

perature, chilliness rather than a shaking chill, and a slight sore throat with a hard cough, but little or no sputum.

Some types of pneumonia, like virus pneumonia, do not respond to sulfa or penicillin. Whatever the type, calling the doctor quickly permits the prompt diagnosis and medical care which afford the best chance for rapid recovery. For other helpful and important information about pneumonia, influenza, and the common cold, send today for your copy of Metropolitan's free booklet, 17P, "Respiratory Diseases."

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Frederick H. Ecker
CHAIRMAN OF THE BOARD
Leroy A. Lincoln, PRESIDENT
1 MADISON AVENUE, NEW YORK, N.Y.



TO EMPLOYERS: Your employees will benefit from understanding these important facts about pneumonia. Metropolitan will gladly send you enlarged copies of this advertisement—suitable for use on your bulletin boards.

TO VETERANS—IF YOU HAVE NATIONAL SERVICE LIFE INSURANCE—KEEP IT!

Your Business



One concern lost a profitable contract when an officer was revealed as crooked

GETTING the dope on a company and its officers," a corporation president remarked to me recently, "used to be a little like crystal ball gazing. But that's not so any more, with the kind of goldfish bowl information the agencies can get for you nowadays."

I knew he was referring to the so-called "commercial agencies," that have supplied merchandising and credit information to American business for more than a hundred years. But I knew also that he was referring in particular to the handful of companies—perhaps a dozen—which today combine straight credit reporting with special information services which dig up the "impossible-to-get-at" facts about both individuals and firms.

Typical of such agencies are three New York companies: Bishop's Service, Inc., Proudfoot's Commercial Agency, and the

granddaddy of all credit reporting firms, Dun & Bradstreet, Inc., which recently added the making of special information reports to its other services.

"Particular and Unusual Information on Commercial and Industrial Business Enterprises," one of these companies advertises.

"Intimate Details on the Background of the Management of a Business and its Owners. . ." another offers.

"We Can Tell You About Most Anybody. . ." still another ad declares.

Business houses which have used these special information services are discovering that the claim is almost literally true.

Investigation saves trouble

ONE firm, an eastern aircraft engine manufacturer, called in an agency one day to investigate a midwest company with which it was about to close its biggest deal since the war. The eastern company planned to buy into the mid-

west firm, which was just going into the manufacture of a mass-priced private plane. Under the contemplated terms the latter would then contract to buy all its engines from the eastern firm. The eastern outfit had done some investigating itself, but it wasn't quite satisfied.

The western company happened to be a comparatively new firm. Its financing seemed adequate, bank references were satisfactory. Good names stood on the list of backers and directors. The newspapers had reported that the company was leasing one of the biggest auto plants used for warplane manufacture.

Then, abruptly, the eastern firm sent the western company a wire: "Consider all negotiations off. Our decision on this final."

What had happened was that a commercial agency's special information report had changed the entire outlook.

The western outfit, it showed, had been put together by a chronic failure—its president. The latter

Life Is in Their Files

By C. LESTER WALKER

WHETHER you want credit data or personal information on the president of a company, it's all the same to a professional investigator

stood revealed as a promoter of big propositions that never panned out. On the personal side, the report disclosed that at one time or another a score of lawsuits had been brought against him. These covered loans, services rendered, goods purchased, insurance premiums, rents—in individual amounts ranging from \$30 to \$11,000.

"I think, however," the treasurer of the eastern company commented on the report afterward, "that what for us really broke the camel's back was the item that in one company, which he once headed, the books showed he had charged fur coats for his wife to machinery, and dental work to maintenance and repairs."

The occurrence of such inner sanctum details in certain agency reports once prompted a potential

user to ask an old-time subscriber:

"Just how exhaustive is the information they get for you?"

"It approaches infinity," the other answered seriously.

Although that was a slight exaggeration, it is true that the agencies' special information services often are amazing in their thoroughness. Some idea is given, perhaps, by a look at the sources which one agency consulted for an investigation of a helicopter

manufacturer. These included:

Eleven banks, five aircraft manufacturers, seven suppliers, officers of the helicopter corporation itself, seven business men, four lawyers, officers at three Army air fields in Texas, Ohio, and New York; two aircraft schools, personnel officers of three companies, an investment broker, officers of two safety equipment manufacturers, the records of two universities (for scholarship grades) and two prep schools.

Public records: Comptroller's Office, Assessor's Office, and Recorder's Office of a midwestern city; the Securities and Exchange Commission; the Civil Aeronautics Administration; the Corporation

A merchant, aroused by an unfavorable report, threatened to sue until convinced of his error



EDWARD F. WALTON

Department, Insurance Department, Circuit Court, County Court, and Chancery Court in three states; and local newspaper files and directories in 19 cities in the United States and Canada.

Little wonder, perhaps, that an agency head once boasted, "We never leave any stone unturned less than three times." Frequently the reports are a revelation in the type of information they can provide.

For instance, here are some sample items:

The company's complete capital setup and its bank account.

Details of unusual financing arrangements, existing or proposed.

What lawsuits have ever been brought against it.

The number of customer accounts on its books.

What securities the company executives own personally and their current value.

What a company's officers paid for their homes. If they rent—for how much.

Details of life are showed

IN one Bishop's report such details occurred as that an executive had bought a second-hand airplane 20 years before for \$550, sold it for \$500; and that the purchaser was satisfied it was a good buy. Another detail showed that the subject stopped in certain hotels when in Washington.

Business houses which request special reports usually want them for affirmative uses. That is, usually not for their own protection, as against fraud or dishonesty, but so

that they can more intelligently pick good customers, sign up better distributors, or decide which chain of hardware stores to buy.

"A company uses these reports," O. A. Sheffield, secretary of Dun & Bradstreet, has pointed out, "so its executives can say, 'that company is a potential and desirable outlet for *more* of our goods.' Their merchandising use is the important thing."

Thus it happened, on the affirmative use angle, that a Connecticut hardware manufacturer once asked for a special report on a monkey wrench. The maker's name and the words, patent pending, were on the handle, but the maker's whereabouts were unknown. The company wanted the name and address of the original manufacturer, and proof that the wrench company *had* gone out of business. It wanted to buy the production rights.

The U. S. Patent Office's records revealed no new information, but the agency was able to locate the records of the concern, tell when and why it had gone out of business, and the name and current address of the only surviving officer.

A paint manufacturer also made good affirmative use of an agency's special service by getting a report on itself. Early records of the business, it thought, might help it in obtaining tax relief. Records of the company were lacking. It was believed that if an agency could track down the good will values of the original six companies which had merged to form the present one, and learn the amount that had been paid for good will in the

merger, it might change the invested capital total which the present company had been carrying through the years. This, in turn, might bring about a favorable change in the present tax structure.

The agency traced the six companies back in its reference books until the references disappeared. The companies' ratings showed their estimated net worth through the years. The figures were sufficient as a base for the paint firm's successful argument that it should receive a cut in its tax rate.

Bad reports do good

SOMETIMES a company which is shown by a report to be in an unfavorable situation can turn the report to its own use later on. One report on a printing ink firm was of adverse nature in spots. The ink company later requested copies for its own bondholders: to convince them that the interest rate *should* be reduced, that the company ("Look at this impartial report") really was *not* in tip-top condition.

The method the agencies use in getting special information is fundamentally the same as that employed in their work-a-day business of supplying subscribers with routine commercial reports. This operation (to digress from the special information a moment) is based on the idea, first, that investigation begins at home—that is, in the agency's own files. These files often contain a record on a company which exists nowhere else. And instances of agency files turning up information on indi-



Agency men often roam far afield in the pursuit of information. In one instance investigators had to travel inside the Arctic Circle

"Our knowledge is the amassed thought and experience of innumerable minds"

—RALPH WALDO EMERSON



Why some things get better all the time

THE OLD-FASHIONED STOVE has warmed many a generation through the years. But today families are kept healthfully warm by far more effective means.

There are electric heaters and electric blankets with their efficient alloy heating elements. Individual gas fuel installations. Improved heating systems for our homes, ranging from oil burners with fuel nozzles of long-lasting synthetic sapphire to the new panel heating with its welded piping. Also giving you finer service are better insulated electrical wiring, vast central heating systems, and city and cross-country gas lines.

Far-reaching are the improvements in heating and power enjoyed by families today . . . And most of these improvements are possible because of *better materials*.

Producing better materials for the use of industry and the benefit of mankind is the work of UNION CARBIDE.

Basic knowledge and persistent research are required, particularly in the fields of science and engineering. Working with extremes of heat and cold—frequently as high as 6000° or as low as 300° below zero, Fahrenheit—and with vacuums and great pressures, Units of UCC now separate or combine nearly one-half of the many elements of the earth.

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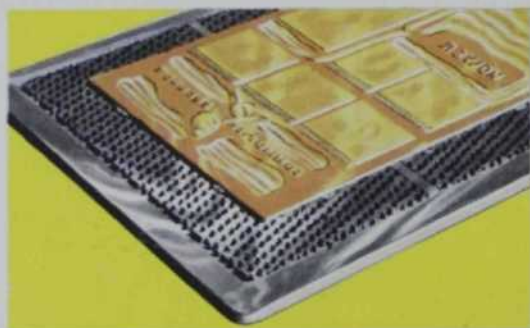
Products of Divisions and Units include

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Test your word knowledge

of Paper and Printing



1. Metal or Patent Base

- ☐ Bed of a printing press
- ☐ Metallic filler in paper
- ☐ A device for mounting printing plates



2. Acid Blast

- ☐ A process for etching halftones
- ☐ An unfairly competitive brochure
- ☐ A method of coating paper



3. Reel Samples

- ☐ Festoon-dried paper
- ☐ Calender test runs
- ☐ Test samples of paper taken during manufacture



4. Beater Loading

- ☐ Overloading copy with heavy selling
- ☐ Filling the beater with ingredients for making paper
- ☐ Too much beating in lock-up

ANSWERS

1 Metal or Patent Base is a special device for mounting printing plates which makes precision printing easier. Another important factor in precision printing is the use of uniform, fine quality Levelcoat® Printing Papers.

2 Acid Blast is a process for etching halftones. A good way to reproduce halftones with all their beauty, strength, and subtlety intact is to print with clean, bright Levelcoat paper — a distinctive medium for more effective advertising.

3 Reel Samples are test samples of paper taken from the reel during manufacture. They're especially important at Kimberly-Clark where reel samples, constantly taken for laboratory tests, keep close check on Levelcoat quality.

4 Beater Loading is the filling of the beater with ingredients for making paper. In loading the beaters for Levelcoat, close adherence to a strict formula produces a paper which is dependable in quality from ream to ream, from run to run.

Levelcoat*

PRINTING PAPERS

If our distributors cannot supply your immediate needs, we solicit your patience. There will be ample Levelcoat Printing Papers for your requirements when our plans for increased production can be realized.



KIMBERLY-CLARK CORPORATION
NEENAH, WISCONSIN *TRADEMARK

viduals which isn't obtainable elsewhere are sometimes spectacular.

It was in the Bishop's Service files that the discovery was made that Bruno Richard Hauptmann, the kidnapper of the Lindbergh baby, was a carpenter with a bank balance of \$20,000. His name got into the files when he opened an account with a brokerage house, which in line with its routine policy had its new customer investigated.

The Dun & Bradstreet files contain millions of names of firms and persons. These represent, with their allied reports, the information requested by subscribers and got together by the company, going back in some cases to 1850. Even smaller agencies like Bishop's and Proudfoot's have files containing information on more than 7,000,000 names.

Much credit history

ALTHOUGH much of this is background, a lot of it is current. For strictly contemporary sources Dun & Bradstreet can turn to 12,000,000 answers to "ledger experience" questionnaires, and to four and a half million commercial reports and one and a half million reports on individuals, which it writes every year.

A commercial agency reporter starts from these records and then tracks down the more current information. If he cannot get to some places personally, he has the local agency correspondent cover the area for him. Dun & Bradstreet has such correspondents working inside the Arctic Circle.

Sometimes the agency reporter starts off on a slim lead. A Bishop's man once was given a last name and a city—no more. He wound up, however, with a 20 page report.

Backing up the work-a-day, routine reports of these agencies is an operation of fact-gathering and dissemination which is both elaborate and complicated. It varies some from agency to agency, but is adequately illustrated by the method of the oldest firm, Dun & Bradstreet. This agency has 70,000 subscribers, and servicing them involves such procedures as these:

The reporters, from more than 150 offices, make regular fact-finding calls on close to 2,350,000 business firms a year. The thousands of reports are dictated, typed, duplicated, distributed to departments, and filed. These reports are written for the most part on the nearly 2,000,000 retailers 90 per cent of which are small and very small. They represent, however, the bulk of the distributing machinery of

the nation and the listing in the "Reference Book" identifies as a bonafide business enterprise.

Each report is soon fished out again to be used in making up the D & B "Reference Book," which is confidential, and for D & B clients only. This volume reflects the business health of practically every commercial enterprise in the United States.

Naturally, such a book has to be kept up-to-date. A good risk in April may be a poor one in May. About 5,600 changes are currently reported to D & B offices daily, and the book is recompiled and republished every other month. The complexity of the operation is indicated by the number of actual changes in one six-month period: for new names added, defunct concerns deleted, changes in rating—up or down, companies' names changed, and bank list alterations the total for continental U. S. was 947,037, the highest in the history of the "Reference Book."

Another phase of the operation is supplying the actual reports on the firms listed in the "Reference Book" to subscribers requesting them, or giving data from them over the telephone.

Another part of D & B routine is a "continuous service" feature. When important changes occur in a firm's status an immediate report is sent to subscribers who have registered their especial interest in this firm. Such service informs a client of change of ownership, deaths, fires, suits, liens and other contingencies. A change in rating is flagged with a change in paper color. A subscriber knows that amber paper means: "Read me first."

Charges based on use

PAYMENT, for the subscribers to the D & B reports, is based on a contract with the agency. That is, a small firm would sign a *limited* contract at a small fee, a big concern an *unlimited* contract, giving it almost any kind and number of reports it might ask for.

People wonder sometimes if non-subscribers can get a report. On occasion they can. As a matter of public accommodation, the agencies will supply portions of a report where a request is justified by special conditions.

Most routine reports average two typewritten pages. The special information reports, however, often run longer. Bishop's once conducted an investigation which produced 30,000 words and took three years to complete.

For special information reports generally the charges to clients are higher than for routine credit reports, as might be expected. They vary in accordance with their completeness and the time required, but usually range from \$100 to \$850.

One firm cited how a \$170 report once saved it an amount running into six figures. The company, an ocean carrier, was on the point of selling a cargo ship. After an agency report on the buyer it promptly changed its mind. The sale, it believed, would have brought a heavy loss.

Some don't investigate

THE things some companies do without investigating are, according to the special information agencies, almost unbelievable. Helen Keyser, head of Bishop's, says:

"Big corporations often will enter into deals with other companies after only the most cursory investigation, or with none at all. They often hire key executives with no knowledge of their background. I have in mind a multi-million-dollar concern that made a certain promoter a member of its board of directors and a vice-president, and advanced him loans running into thousands of dollars for the operation of his own business, without the slightest investigation of the man's history. It learned later that this man had raised his own salary over night from five dollars a day to \$25,000 a year. At last report 11 suits against its newest vice-president were in preparation."

Then there are customers who sometimes get special reports and disregard them. One report on a Wall Street investment dealer showed a history of embezzlement, bankruptcy, unpaid rents, and two or three dozen civil suits. Several brokerage houses got a report on this man, with some heeding it and closing his account. But the report was disregarded by 14 others. In a few months they were stuck when bankrupt petitions revealed liabilities of \$149,069 and assets zero.

Surprisingly enough, most of this special reporting turns up favorable data. Frequently a concern will ask for a special report on another corporation which it believes may be operating unethically and get back a set of facts which prove its suppositions to be wrong.

Such a case was a rare metals company which retained an agency to investigate another firm in that field. The first wanted to know why



* Kansas, in the exact center of the nation . . . and in the center of a 5-state area with annual income of 7½-billion dollars . . . is the logical gateway to the vast and rapidly developing Western half of the United States. Eight major railroads serve the state; four of them, giving trans-

continental service, traverse from eastern to western border. Four major airlines link Kansas with the rest of the world. Transcontinental paved highways network the state in all directions. Kansas, being in the center, is closer in time and distance to ALL other sections of the country than any other point can be. To every industry that serves a nationwide market this is an important consideration.

Facts in figures

Railway main line trackage in Kansas, 8581 miles
State and national highways, all-weather surfaced, 8901 miles
County roads, all under year-round maintenance, 9864 miles
Pipelines in operation, transporting crude oil, gasoline and natural gas, 8000 miles

KANSAS IS ACCESSIBLE

You will find much of interest in the brochure,
LET'S LOOK INTO KANSAS
Ask for it on your letterhead



KANSAS INDUSTRIAL DEVELOPMENT COMMISSION

William E. Long, Secretary-Director
806-A Harrison Street Topeka, Kansas

KANSAS * REALLY MEETS INDUSTRY HALF WAY

an old-line firm like itself had lost a certain government contract to a company which had been set up evidently just for this piece of business. Crux of the matter was: "Who really owns the new corporation?"—and this information the older firm couldn't get.

Investigation revealed the owners and the added information that one of the nation's highest government officials was a relative of one of them.

The report wound up: "Our investigation leads us to conclude that this man is not associated with the company, did not use political power to help it get the contract, nor aid it in any other way."

Lawsuits are threatened

HOWEVER, the agencies turn in enough unfavorable reports to be threatened occasionally with libel suits.

There was the occasion recently when a merchant who had been investigated stormed into Dun & Bradstreet's and threatened to sue unless mention of a former failure was removed from a report. A Dun & Bradstreet official informed the belligerent merchant wryly:

"Actually, that impartial report does you a service. To all in the trade it shows the *real* circumstances of the failure and puts it in its proper perspective. It gives the facts—and so, protects you against gossip and rumors."

The merchant was quick to see the point. "Leave it in," he shouted. "Take it out now and I'll sue you for that."

Of course, no reputable agency will "clean up" a report on a person or company. This is one of the immutable principles of a business in which ethical considerations count heavily.

Nor will an agency disclose a confidential source of its information, even to subscribers. Nor will it collect special information on a subscriber's competitor.

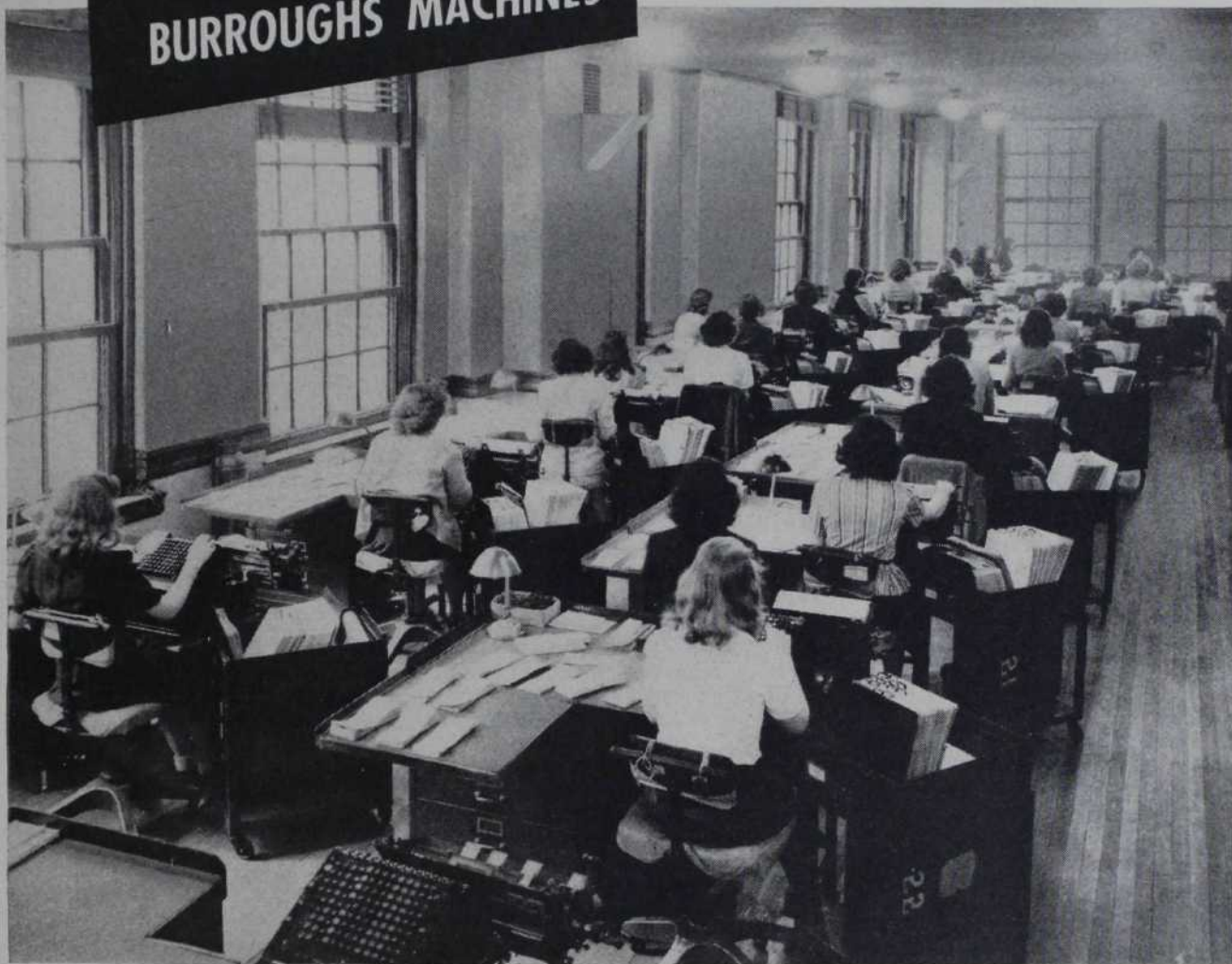
"But we need it," a client once declared. "We may buy them out."

"If you are sincere about that, we will go to the other company and tell them," an agency spokesman said. "If they say, OK, we will willingly get the information for you."

You wonder, perhaps, who are the chief users of all these out-of-the-way information reports. In general they are the country's biggest companies. A list of them would be a top-drawer roster of American business.

**WHEREVER YOU GO—
YOU SEE
BURROUGHS MACHINES**

STATE STREET TRUST COMPANY, Boston, has long been an important user of Burroughs machines . . . continues to look to Burroughs for the finest in bank accounting machines.



Back of the scenes, in most businesses, you will find Burroughs machines carrying out assignments vital to good management.

They lend speed and accuracy to the handling of payrolls, stock records, budgetary accounting, billing, purchase and payment records, accounts receivable—to mention a few. They provide management with up-to-the-minute information on which to base sound judgment. Efficient in themselves, they contribute to efficiency.

With this background of dependability to build on, Burroughs is at work on developments that will make Burroughs machines still finer in appearance and performance. Great things are going on at Burroughs for the business of tomorrow.

BURROUGHS ADDING MACHINE COMPANY • DETROIT 32, MICH.



FIGURING, ACCOUNTING, STATISTICAL AND CASH REGISTERING MACHINES • NATIONWIDE MAINTENANCE SERVICE • MACHINE SUPPLIES

Helping Yourself to a Good Congress

(Continued from page 46)

offices, have gone over them carefully.

One veteran Democratic member in a close middle-western district was too ill to go home and campaign this year. Republicans in the district, pointing out the narrowness of his last majority, his current absence and the national "trends," assured me that, at last, the old boy was doomed. Without surveying the district, I told them they were wrong, and they were. I knew that every year since the member has been in Congress he has written at least 100,000 letters to his constituents and thus made his position solid. A good mailing list, carefully nurtured, has kept many a member in office in the past and will do it again.

Politics involve people

YOU can be a great help in building up a mailing list. In your letters, mention Bill Jones and Minnie Smith by name. If you can think of something that either has said about the member or a situation, write about it. Grains of sand? Sure, but they help make concrete blocks for solid political foundations.

The average congressional district consists of about 250,000 persons and a senator's constituency is his entire state population. Yet every House and Senate member is supposed, any time after his first election, to recognize the full name of every voter and instantly know all about all the members of his family.

Failure to recognize them when home often is highly embarrassing to a member. You can help him over such hurdles. If you see him alone among strangers to him but acquaintances of yours, offer your services in helping make identifications.

Until you know a member well, always identify yourself fully when you approach him. Suggest to your friends that they do the same thing. You have no idea how much it will help him, and he will appreciate it. Sure, he will say, "Why, Bill, you don't have to identify yourself to me." But to himself he probably is saying, "My gosh, I didn't know him from a side of sole leather." It is difficult to remember everybody, even if you are a congressman.

As the big problems are dis-

posed of in this and subsequent sessions, Congress will gradually broaden its base of operations. Some day something will arise which will be of particular interest to you or your local, state or national trade, industry or profession. Then it will be your duty as a citizen and a business man to do everything you can to help throw light on the situation for the benefit of all concerned.

Don't be scared away

DO not hesitate to act because you feel that somebody will smear you as a "lobbyist." That is a scare term often used by persons who hope business never will express itself on legislation, but supinely accept any suggested measure regardless of its possible effects.

The new law defining lobbying activities certainly does not prevent you from discussing proposed laws with your friends, writing to your congressman or appearing before committees. The lobbying law was designed largely to bring to light racketeers who solicit fat fees for so called "influence" and render no service to either their retainers or Congress. Specifically exempted from registration are persons who only appear before congressional committees. Of course, the constitutional right to communicate with your congressmen also stands.

As a matter of fact, members of Congress rely heavily on these communications from their constituents and on the advice of the national organizations of business

men everywhere. They also think business men have been too hesitant about vigorously opposing in person bills which they regard as bad or about supporting those they approve.

You will find your member cordial and grateful for the personal interest you have taken in his progress and eager to help you. Do not assume, however, that merely because you may have aided him in his campaign or given him advice or tips that you should be given any great preference in legislative matters. Your case should be strong enough to stand on its own feet. When your congressman gets you a hearing, he has done a good deal for you.

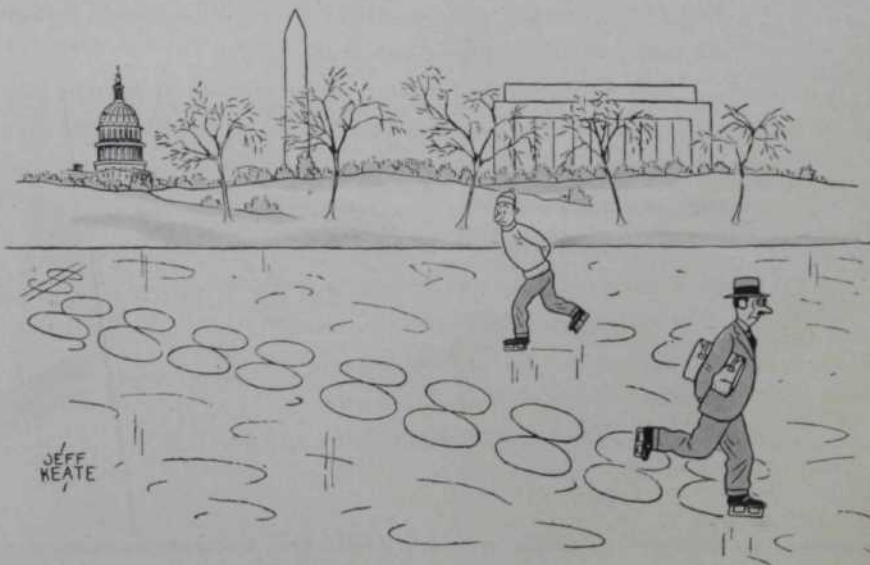
Many persons who are eager to appear before committees never reach the stand, largely because they never have displayed any interest in Congress until their own interests were aroused. Some come to Washington determined to tell committees where to get off, and when asked the name of their congressman are unable to give it. They do not get far.

Have all the facts

THOROUGH preparation is essential before going to the Hill and supporting or opposing any proposed legislation. Never, under any circumstance, make any move toward going on record on a bill until you are sure you know exactly what you are talking about.

The best possible preliminary step is to get in touch with your national trade association and request every available thing of current value on the subject under consideration.

Do this regardless of how voluminous have been your mailings



from state and sectional information sources. National groups are set up to render complete and current service, and they do it. Of particular value is their statistical information. Nothing is of more use in making a case before a congressional committee than unassailable statistical material. Such are the only kind of statistics which national associations will provide. Get them to supplement your local factual matter.

Whatever you do, however, do not write your national association telling it of your interest in forthcoming legislation and then sit back and expect the organization to carry on from that point. Be prepared to help the organization when it asks you to. Members of Congress have respect for such official figures as these associations provide, but they want them supported by field testimony, such as you can give. A substantial factual statement of one business man from the firing line is worth more than reams of testimony from a lawyer or other special pleader.

Don't ask unfair favors

COMMON fairness also demands that the political welfare of every congressman be considered in connection with the submission of any proposed legislation. No private citizen has any right to ask his senator or representative to support a piece of legislation which he, standing in the member's shoes, would hesitate to back himself. Yet such unfair requests are made daily in every congressional session.

Seekers after legislation always are filled with vague promises about the "support" they will provide for their favorite bills if the member will only get behind them. All too frequently, however, the constituent fades out of the picture once the member agrees to go along with a bill, and is seen no more. Then the constituent wonders, or says he wonders, why the member did not push the bill.

Business men have much room for improvement of their Hill standing as witnesses and as supporters of proposed legislation. Not all of them have made bad impressions in the past, but the least that can be said about many is that they deserve no orchids for their performances. It is true that in the roaring 'thirties, many congressional committees were loaded with business antagonists who were not always exactly cordial in their treatment of industry wit-



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nesses. But not all. Numerous flops of business witnesses should not be attributed to congressional hostility. All too often the causes of bad impressions have been acceptance of poor advice or failure to exercise plain horse sense.

For instance, one scarcely can justly say that congressional antagonism has been responsible for:

1. The attempted promotion of legislative programs through enormous cocktail parties and dinners in the ballrooms of downtown Washington hotels or large rented houses.

2. The sending by wire to congressional members of innumerable fake endorsements of pending measures signed by names copied directly from telephone books and similar lists.

3. The bombarding of Congress with thousands of identically worded form letters and telegrams.

4. The appearance before busy committees of witnesses unable to do more than read prepared statements, and who when submitted to direct questioning demonstrate clearly that they know little or nothing about the subject under consideration.

Here are some preliminary steps which should be taken by business groups prior to appearing before any congressional committee:

1. Be sure that the proposal to which you are addressing your testimony is fully understood by witnesses.

2. Make certain that no one—such as an executive secretary—has put your group on record for or against any proposal without polling the members on it.

3. Offer only witnesses who can both read prepared statements intelligently and answer questions asked by committeemen.

4. Warn all witnesses against ad-libbing extensively. Let each present his part of the picture in the most pointed possible manner and then leave the stand.

5. Make certain that you have a man at each hearing who knows the source of every statement your witnesses make and is in a position to provide instantly, or to promise to supply at a later date, additional facts and figures if they

are requested by committee members.

A final word about good rules to observe while visiting your congressman in Washington:

1. Don't take too much of his time. There never are enough hours in the day for him to get his regular work done. When you have finished your immediate business with him, leave his office, take a sight-seeing tour, go back to your hotel or otherwise occupy yourself so that he will not feel obligated to entertain you. No matter how good a friend you may be, you are just one of many persons in his district he is pledged to serve.

2. Don't let him feed you and entertain you at theaters or night clubs. It's mighty expensive. He is under enormous expenses—far beyond his government pay—and unless he has a neat private income he has to cut financial corners to make ordinary ends meet. Of course, he may protest against your picking up the check, but you pick it up anyhow.

3. Don't stick around Washington after your business is done. If your member has helped you, you cannot do better than make a bee line for home and spread the good word around that the district has the right man in Washington. Be sure, also, as soon as you reach home, to write him a letter of cordial thanks, and have everyone you know who has benefited from his help do the same thing.

After that, from time to time, when you don't want a thing in the world, drop him a note and ask him if there is anything you can do for him. When he asks you to do something, do it just as if he were the voter and you were in Congress. He, you know, is trying to do as much for at least a quarter of a million persons.



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I Was Driven Out of

By ORVAL C. HUSTED

QUARTER of a million school teachers left the teaching profession in the first three years of the war and thousands more joined the exodus in 1944 and 1945. Few of us have any intention of returning to the classroom. We can afford some sacrifice—but not as much as present conditions require.

Today's teacher shortage is only the outward sign of a fundamental crisis in education. The situation is rapidly becoming such that the conscientious non-teaching teacher feels impelled to tell parents and taxpayers why he and others are away from the posts which training and experience have qualified them to fill.

The plain truth is that our schools are being sabotaged—perhaps not intentionally, but certainly more effectively than the Nazis or the Japs ever dreamed of sabotaging our war efforts.

With record-breaking enrollments from kindergarten to university now with us it is a matter of fact that the number of qualified and experienced teachers in our classrooms is at its lowest level. Even more disturbing is the knowledge that the training of a new crop of teachers is also down.

There's no need calling on the FBI or starting a communist hunt to solve this "whodunnit" because we are all responsible. There is scarcely an adult in the United States who hasn't had a hand in helping

to weaken our schools at the very time when they need to be most effective. No taxpayer, legislator, or educator can escape the accusing finger.

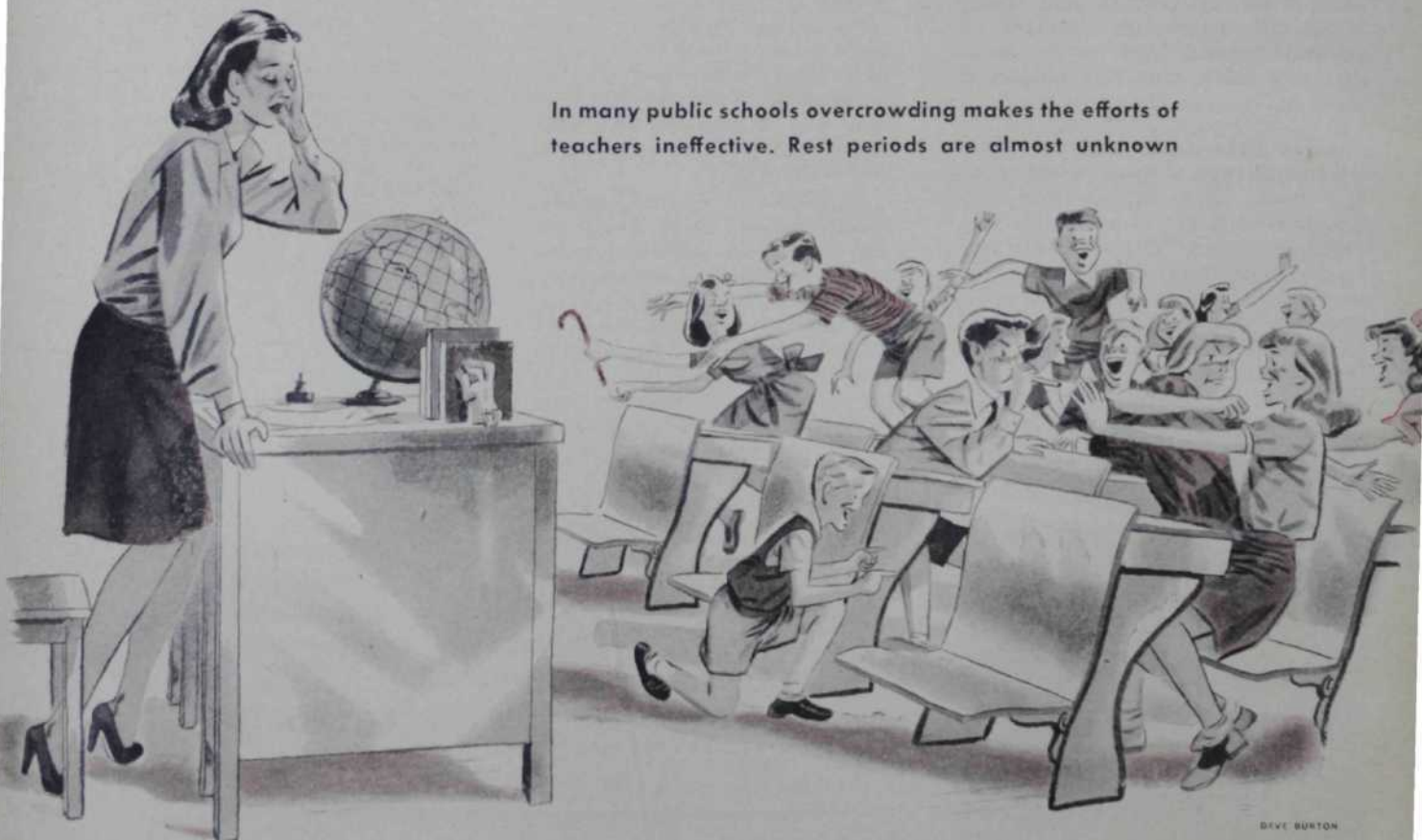
In the years 1941-44 approximately one in every three teachers left the profession. In 1944 there were 7,000 vacant classrooms, and the number of emergency certificates had jumped to 78,665, as compared to 2,305 in 1940. When the number of emergency certificates continued to mount to 108,932 in 1945-46 and vacant classrooms were reported to total close to 60,000, it became evident that few of the qualified and experienced teachers had any intention of going back to teaching.

Fewer teachers are trained

A RECENT report of the American Association of Teachers Colleges shows that enrollment in teacher training schools for 1945 was 38 per cent below 1941. Only seven per cent of all college students are in teachers colleges, and teacher training in liberal arts colleges has dropped sharply. There were more vacancies in the schools of Kansas City in 1945-46 than there were graduates of teacher training institutions in the whole state of Missouri.

Only 13 students were graduated from one of Montana's normal schools last June, and only five

In many public schools overcrowding makes the efforts of teachers ineffective. Rest periods are almost unknown



DAVE BURTON

Teaching

OUR SCHOOLS are being weakened at the very time they need to be the most effective. A former teacher, who knows the situation, tells what can be done to remedy it



One reason teachers quit is that they're denied the right to live their own lives



Often an elevator girl is paid more than a beginning teacher

signified that they intended to teach. A majority of the southern states have reported further drops in teacher training enrollment this fall.

Some slight increases have been noted in some northern and western states but the small per cent (2.6) of GI college students in education shows the aversion to teaching. Intelligent young people scarcely can be expected to spend four years or more in training for a position which has a beginning pay somewhat less than that of an elevator operator, and about the same possibilities for advancement.

As it stands now, the teacher shortage is nothing more nor less than an unorganized and unofficial boycott of the teaching profession. The reasons are deep-rooted and fundamental.

The start toward salvaging our educational system must be made along financial lines, but something more than pouring a few extra dollars into the

school coffers will be required to right the situation. The present shortage and continuing crisis has brought the low pay of public school teachers into the limelight. The national average of nearly \$2,000 in 1945-46 yearly salary, which means a "take home pay" of only about \$1,450 for the heads of families, has received wide publicity. The average of nearly \$2,000 is at least \$200 less than the average pay of the non-college-trained worker in industry. If the average teacher salary is about \$2,000, then approximately half of all teachers are drawing less than that; and it is estimated that in 1945-46 some 15 per cent received less than \$1,200 for the year's work.

Low pay isn't the only trouble

IT IS true that low pay is one of the causes of the lack of qualified instructors in the classroom, but not the only one. A close second is the matter of occupational security. Nearly half of the teachers are still subject to rehiring or dismissal every school year. As recently as July, 1946, only 23 states had adopted anything approaching effective state-wide tenure protection. Adequate retirement and pensions are the exception rather than the rule. Even the Government's social security program does not include teachers.

A third reason thousands of instructors have not gone back to their classrooms is found in poor working conditions. In many cases overcrowding makes the efforts of the best of teachers ineffective. Discipline, hall duty, lunchroom watching, and playground service fill in the odd minutes of the day. Rest periods for teachers are almost unknown.

It is doubtful if any other profession makes as many overtime demands without provision for overtime remuneration. Attendance at plays, debates, carnivals, ball games, and wrestling matches is an accepted requirement. Friday night and Saturday afternoon athletic contests break into week ends. Compulsory membership and attendance at meetings which many patrons skip is the rule rather than the exception.

An English teacher of my acquaintance has a full schedule of four periods of freshman composition, and one period each of sophomore, junior, and senior literature. This means four daily prepara-

tions of work and around 150 compositions a week to be corrected and graded. Her students-per-day teaching load of more than 250 is only a little higher than the average for high schools.

Here is a typical example of an elementary school teacher's schedule: A young woman accepting a teaching position for the first year following her college graduation found herself shepherding 47 live-wire fifth graders from 9 a.m. until 4 p.m. During the two 15 minute recess periods she was expected to be constantly on the alert to prevent physical violence or accidents on the playground. On alternate weeks she carried a cold lunch and spent the noon hour helping patrol the lunchroom. Her superintendent insisted that she sponsor a group of girls on Saturday hikes.

After a month of this routine she resigned and took an office job where the company permitted regular rest periods, provided free snacks twice a day, gave a Christmas bonus, and paid her \$15 more a week.

Not much has been published about the fourth reason back of the teacher exodus, but it is the fundamental cause of many decisions to quit the profession. Some veteran school men have dubbed it "the right to live your own life, and to enjoy a sense of belonging to the community." Educators are said to consider this so important that, without it even if salaries,

What to Do About the TEACHER CRISIS

ACTION NOW is imperative to solve the problem of the shortage of teachers, says the National Education Association.

Here, according to the Association, is the answer:

- 1 Raise salaries for qualified teachers. The average salary needs to be doubled before it equals the average salary of professional employees of the federal Government.
- 2 Provide adequate staff and equipment so that teachers can teach instead of being overloaded with clerical duties in oversized classes.
- 3 Hold and attract able teachers, by helping to increase the recognition and prestige of teachers in your community.

And here, says the Association, is the part the individual citizen can play in helping solve the problem:

- 1 Get the facts. Consult your school superintendent, members of your school board and the leaders of teachers' associations.
- 2 Present the facts before citizens' conferences.
- 3 Make the citizens' point of view known through newspapers and organized groups.
- 4 Get out the vote for needed school funds. See that your state legislature takes action.



She was overworked during the week, still her superintendent insisted that she spend Saturdays taking the girls on hikes

tenure, and retirement were corrected, the type of teacher that should be attracted would be discouraged from entering the profession.

If I did not know that my own experience was typical I would hesitate to speak of it here. When I turned the key in my classroom door for the last time in the spring of 1943, I had taught 25 years in one high school and had not reached my forty-fourth birthday. For several years I had been national secretary of a professional group of teachers in my special field, and was the author of a widely used high school textbook.

My education had not come easily because it had been necessary to meet the requirements through night school, extension classes, correspondence study and week-end courses. The swallows were

never more punctual in arriving at Capistrano than I was in arriving at summer school. At last I could write both B.S. and M.S. after my name, although it was no longer good taste to do so.

The war came along and I started taking stock of my status. After 25 years I was receiving what was virtually a top salary of \$2,550, just about the same as non-skilled workers in the factories in our town.

Several boys in my high school classes were making around \$75 a week working the night shift. Yet my salary was nearly 35 per cent above the average national salary for teachers.

No future security

THERE was no provision for retirement or pension. Volunteer firemen who had served 20 years with village fire departments in our state were automatically retired with a pension of \$25 a month for the rest of their lives. I had no security or guarantee of tenure. Under federal social security legislation I had the same status as a farm hand or a housemaid—just zero.

Once every 12 months my name came up before a constantly changing board of elected officials. They decided whether I would be retained for another nine months' term or be told to look elsewhere for employment.

The extent to which a board of education can hold sway over the life of a teacher is unparalleled in the American scene. At various times during my teaching career I signed contracts not to smoke, drink, dance, or play cards. One year the contract stated that "the party of the first part agrees not to dance or play cards during the school year." Several months after school opened someone discovered that "the party of the first part" was actually the board of education. The objectionable clause was never again inserted in our contracts.

To my last day of teaching I was bound by contract to live within the school district regardless of the housing situation. In the depths of the depression the board of education forced me to close a part-time business venture with which I was trying to forestall foreclosure on my home. The penalty for non-compliance was to be dismissal, and my contract was withheld until I closed shop.

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boards of education but there is no denying that peculiar circumstances surrounding school board posts make the obtaining of well qualified personnel difficult. In most states the members serve without pay. Nepotism in any form is illegal. Duties are manifold, and demands upon a member's time are such that community leaders hesitate to assume the responsibilities and accept the abuse that is often heaped upon them.

Boards not carefully chosen

LITTLE wonder then that the politically ambitious, though sometimes uneducated axe-grinder finds it comparatively easy to be elected a member of his local board of education.

Being told where they can or cannot accept room and board is a common experience for teachers. In some places the blacklist is so long that bewildered new teachers humbly become roomers and boarders in the homes of board members.

Scarcely less common is the thinly veiled suggestion about where to trade, about church attendance, Sunday School teaching, and choir singing. And a smoke or a drink in public? Never!

To those who think that the day of the dictatorial power of school boards is past, I would only point out that many of the recent magazine articles written by teachers about the teaching profession have been published without by-lines. The reason is obvious.

It is easy to see how anyone with a big stick over his or her head will develop a feeling of frustration. It is a phenomenon strictly American that teachers—individuals with education and training for leadership—are accorded the least opportunity to use those qualities. They have been set apart from, rather than being made a part of, the community.

Teachers' credit is low

AFTER I had been in a school system seven years I decided I was permanently located to the extent that I should build a house on a lot I had acquired. The leading contractor in the town told me, "I don't want to build no house for no school teacher. They ain't secure."

Before I finally did make a deal with a builder I learned that many men shared this opinion.

Thousands of teachers will confess that there is something condescending about the so-called

respect and appreciation they receive in the community. A teacher who stays in the profession as long as five years is earmarked with a "school teacher complex." A man's opportunities for a good business connection outside the classroom are lessened at least ten per cent for each year of teaching, and a woman's chances for marriage drop even faster.

The child whose father is a teacher is constantly placed on the defensive. If he does good work in school it is assumed his father's position gives him a favored status. If he does not do so well it is assumed his father is not a good teacher because results should begin at home.

During my teaching career it was my custom to hold a great many informal conferences with individual students to compare views. One afternoon my conferee was the daughter of a fellow faculty member. Her work was falling below par.

When I remonstrated with her she confided, "Sure, I knew the answers to the questions in your test, but you see it's this way—I've got to appear a little dumb now and then or I won't have any friends."

Help for the teachers

WHEN my daughter sought admission to a summer institute sponsored by a leading university, one of the questions on the application was, "State your father's occupation and give reasons why you think you should be given a scholarship refund." Unbeknown to me, she wrote, "Teacher—nuf said!" The scholarship came by return mail.

I do not maintain that the teaching profession can be improved by any amount of griping or damning by the teachers. My point is that the nation's educational system is being sabotaged and that you and I, and the people down on the corner, are responsible because we have permitted our schools to lapse into a state where so many teachers can no longer afford or desire to remain teachers. To make things still worse, those most affected are innocent parties. They're our children.

What is to be done to keep good teachers in the profession, and to insure an adequate supply of energetic, talented, and ambitious young teachers for reinforcement and replacement? That's a sensible question and there are answers, but the solutions are not simple, and they cannot be carried out overnight.

The most direct answer is double-barreled. It involves:

1. Increasing expenditures for education.
2. Making the teaching profession attractive as a career.

The first should not be too difficult. It's a matter of legislation. The second is not so easy. It's a matter of education.

If we intend to have schools in this country we must have teachers. If we have either we will have to channel adequate funds into school salaries, plants, and equipment—and it's up to our tax commissions and legislators to find a way to do it.

Here are some suggested ways:

1. Emergency state or federal legislation to provide additional funds for educational purposes and the creation of necessary governmental machinery for administration.
2. A minimum salary schedule throughout the country for primary and secondary school teachers based on educational qualifications and experience. No teacher with a bachelor's degree should have a starting pay of less than \$2,400, nor one with a master's degree for less than \$3,000, with provision for annual increases.
3. An end to the discrepancies between salaries offered to men and to women with the same qualifications.
4. Let every state come up to or exceed the minimum tenure and retirement standards now generally agreed upon.

A few cities are already awakening to the decreasing quantity and quality of teachers. Higher salary schedules are being established and tenure and retirement made more certain. The broadened tax bases of some of these cities suggest that our municipal and state resources to finance education are far from exhausted.

This fact is quantitatively shown for the nation by the expenditures for public elementary and secondary education, which dropped from 2.5 per cent of our income in 1940 to 1.5 per cent in 1944. Contrast this with the fact that some states once spent more than four per cent of their annual income (and note that Russia is spending at least five per cent—perhaps much more) for public education.

Making teaching attractive as a career is not so easy. Every September thousands of civic clubs,

chambers of commerce and churches stage free luncheons, teas and receptions for the public school pedagogues and pour forth pretty speeches, but what happens in October and the other seven months of the school year?

Let the civic clubs and fraternal orders inquire just how many classroom teachers are members of their organizations, or have ever been asked to become participants, other than to contribute free entertainment.

Let the heads of churches reflect upon how many of their own parishioners dance, smoke, and play poker despite their ministers' best efforts.

Let boards of education stick to their elective duties and stop setting up local rules which resemble the house rules of medieval monasteries.

Let school administrators be more considerate in the demands commonly made in the nature of overtime work, unless more provision can be made to follow business' example of overtime pay.

Let the school patron remember that teachers are human beings—seldom either saints or demons and that they earnestly long to be just like other people, to be appreciated, and to live and let live.

Education is good business

LET the business man seriously consider the stake he has in this profession. Let him recognize teachers as his equal in society and as his selected leaders for his children. The Chamber of Commerce of the United States has already made the point that good education is good business and that our young people must increasingly develop the skills and judgment necessary to maintain our high standard of living. Let's have every chamber of commerce in the country appoint a committee on education that will publicize local and state facts about the teacher shortage and school conditions in general, and take constructive action.

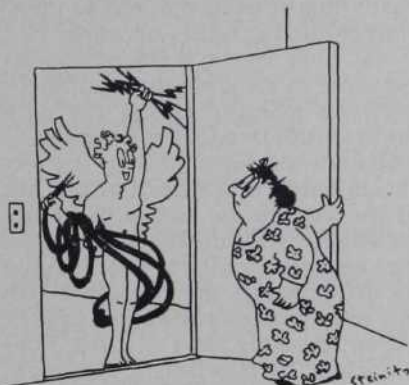
Under favorable conditions educators can pull themselves up by their own bootstraps. With a salary schedule high enough to draw back the cream of the 250,000 teachers who have left the classroom, the schools will have a nucleus of trained and experienced personnel with which to hold the fort while reinforcements are being trained. From there on it's a problem of educational selling—and a tough one.

We need to drive home the im-

portance of education—to re-sell it to the American people. A large share of this job is up to the teacher, and it must begin in the classroom. By exemplary teaching we must get across to gifted young people the pleasures and the deep satisfactions to be derived from teaching.

If a teacher has a sense of security and an adequate measure of freedom from financial worries and frustration, the personal satisfactions of the profession can easily equal those of the ministry, the judiciary, or medicine.

Let it be pointed out here and now that tens of thousands of earnest, consecrated men and women are devoting their lives to the instruction of our children. They are successful teachers who would have been a success in any line. The mere mention of some of their former pupils brings a warm glow into their eyes. An inner satisfaction has held them in the classroom despite inadequate



"I'm from the telephone company"

salaries and a pitiful lack of appreciation of their sacrifices.

Real teachers have always understood these deep-down satisfactions—but the general public has not. Advancing standards of living have changed our concepts of values. When we can offer youth not only satisfaction, but also the opportunity to attain security, own a home, raise a family, and take his position in the community, then we have something to sell him.

When enough people of the right type are thus drawn into the teaching profession, we will be in a position to push the sale of education to the nation as a whole. Then we can begin overcoming the popular fallacy "Those who can, DO; those who can't, TEACH."

Then, and only then, can we stop sabotaging education.

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Every Office Has One

THIS is the age of mass production and streamlined living, but the desire for speed unknowingly is costing a lot of American business men thousands of dollars that easily might be saved, not to mention countless hours of work.

Not long ago a midwest manufacturer of amusement equipment received a letter asking for data on several of the firm's gadgets. The manufacturer studied the letter, failed to make head or tail out of the writing. He passed it around among his staff until everyone had had an opportunity to try his hand at deciphering the missive. With one man guessing the opening, another the body, and a third coming close to the finish, the main contents of the letter were unraveled. More time was spent working out the address. It was decided finally to reply to the National Russian Shows, believed to have been the sender.

A couple of weeks later a second letter was received. This letter was written a little clearer, with the writer demanding to know whether the manufacturer paid attention to business inquiries. The address bore the name of the Nat Reiss Shows, a far cry from what originally had been deciphered as the National Russian Shows.

Illegible scrawls which business men and women are called upon to decipher in letters and signatures every day run into incalculable numbers.

There is the case of a Chicago company that manufactures musical instruments. A letter came in that bore a signature that baffled half a dozen of the staff. Finally, it was the consensus of staff opinion that the name was John Seaman, Turner's Falls, Mass.

His letter was answered. About two weeks later the company received a letter from a man who identified himself as Arthur English, of Helena, Mont. He complained that he had written a letter to the firm a few weeks before asking for information concerning a drum. The letter that had been dispatched by Mr. Seaman also had requested the same information.

Seaman and English were one and the same man.

There is no particular stratum of American business life enjoying a monopoly in the illegible writing field. Industry, entertainment, all of the professional classes have their numbers in this type of activity. Accuracy is sacrificed by people in all of these endeavors for speed. The typewriter has proven a boon to the business world, yet there still are executives who sign their names in undecipherable scrawls, and secretaries who fail to type the boss' name beneath his signature as an aid to one who must read the letter.

Thousands of letters pile up in the dead letter divisions of post offices in every major city of the country every year as the result of illegible addresses or failure to include a return address that can be read. Many of these letters contain orders for new business, checks and other data of value to American trade. Hours are spent by other postal workers deciphering other pieces of mail.

The situation is one that has caused more explosions than dynamite, impaired more visions than the prevailing feminine fashions, and created more dementia Americana than seething syncopation. And it's all caused by the little habit of writing illegibly.

—WILLIAM J. McNULTY

The Second Bonus March

(Continued from page 48)

state bonus in New Jersey. The big headache about the bonus is not the payment, but the raising of funds to pay it. Frugal Vermont, paying a comparatively small bonus, will manage to finance the greater part of its disbursement from treasury surplus. But the other states must turn to taxes, including those on sales, cigarettes, liquor, and movies, all of which the veteran will have to pay too. A state lottery is being considered, but as yet has not been accepted anywhere. There is also considerable demand for special taxes on horse and dog racing.

Veterans pay themselves

STATISTICIANS have come up with figures to prove that in the normal course of events the veteran and his family must pay back all or most of his bonus in taxes to finance the grant.

In Massachusetts, for example, it was calculated that if a veteran and his wife smoked one pack of cigarettes daily, they would repay \$87.65 of the original \$100 bonus awarded by Bay State within six years (at the rate of two cents' special bonus tax on each pack of cigarettes). If a veteran brought home a fifth of liquor every three weeks, he would contribute \$13 more in six years (at the rate of 50 cents' special bonus tax on a gallon of alcohol).

These statistics did little, however, to dampen state-wide enthusiasm for a larger bonus. The figures usually were answered with the retort that cash in the hand is worth a ledger full of statistics. Massachusetts soon added to the original \$100 bonus, making the total \$200 for domestic and \$300 for overseas service.

The Grand Army of the Republic is credited with originating most of the techniques in regard to obtaining federal benefits for veterans, including tactics branded by some segments of the tax-paying population as "treasury raiding." But the service adjustment bonus is a 20th Century development. And, despite all the hoopla and hullabaloo raised every time the word bonus is mentioned, the fact is that, in Washington, the World War II bonus is taken for granted—as inevitable as tide and taxes. Even the legislators who drew up the so-called GI Bill of Rights as a cushion for the readjustment of

the returning veteran did not believe the arguments offered at the hearings that the passage of this bill would head off a bonus boom.

Congress tacitly recognized that it would one day have to pay a bonus by making several of the GI Bill benefits—unemployment compensation, educational tuition, and loan defaults—deductible from any future bonus. That was in June, 1944. In December of the next year, the GI Bill was amended and reference to the new bonus stricken from the statute, but the withdrawal fooled nobody.

Actually, there are logical reasons for bonus payment which have nothing to do with sentiment, politics or pap.

Millard Rice, often a spokesman for the Disabled American Veterans at Capitol Hill hearings, has pointed out that the "readjustment insurance policy" (DAV's version of the bonus) is based on type and length of service. Thus the bonus is paid the veteran on the basis of merit, whereas other type legislation, like the GI Bill, offers benefits on the basis of the ex-serviceman's need.

Encouragement for chiseling

ARGUING for the bonus instead, at hearings on the GI Bill, Rice further pointed out that the former type of compensation benefited all veterans, whereas the latter helped only the comparatively few. He argued that the "need" provisions of the GI Bill encouraged chiseling, and offered no benefits to the ex-serviceman who did not need a house, an education, or who had a job and thus did not need unemployment compensation. The bonus, he said, is an equitable way in which to compensate wartime servicemen for the time and earning power they might have used if they had remained in civilian life.

Although the American Legion provided the pile-driving power to flatten out the Presidential vetoes against the bonus, the Veterans of Foreign Wars, an older but potent group, is generally credited with beginning the snowball that rolled into an avalanche.

To the average citizen, "Legion" and "bonus" are synonymous, but there were times in the chaotic career of the World War I bonus when the American Legion displayed reluctance for the idea.

In that celebrated formative St.

Louis caucus (May, 1919), the founding fathers of the Legion discussed a bonus payment of \$180, but voted it down when Col. Teddy Roosevelt, Jr., leading spirit of the new veterans' organization, decried the bonus move as trying to "sandbag something from the Government." At its first convention eight months later, Legion delegates left "with confidence" to Congress the matter of adjusted compensation.

Stronger appeals for bonus

HOWEVER, within three months the Legion's executive committee came up with a fourfold bonus plan: \$50 for each month of service, to be paid off in cash, land, housing, or vocational training. The House passed this measure but the Senate deferred action at President Harding's request.

The third Legion convention demanded passage of the bonus bill "without further equivocation." So, in 1922, both houses of Congress approved the bill, but it was vetoed by President Harding. Two years later, Congress passed a new type bonus bill, overriding President Coolidge's veto. This bonus called for payment of \$1 a day for domestic service, \$1.25 a day for overseas service. Payment was to be made in adjusted compensation certificates which, maturing in 20 years, would be cashed for approximately two and one-half times the original value. The maximum bonus ran up to \$1,590. The average bonus proved to be \$1,000.

The first pinch of the depression started demands for immediate cashing of the bonus certificates and by 1931 pressure had become great enough for Congress to agree to provide a government loan to veterans up to 50 per cent of the face value of the bonus. This step had to be taken over the veto of President Hoover.

But VFW leaders kept buzzing for the full bonus payment now, and it appeared that the Legion would follow suit. At this point, in the fall of 1931, President Hoover rushed to the American Legion convention in Detroit and appealed to delegates not to push for the full bonus payment. In response, delegates passed a resolution calling on the people to unite in a drive against the depression.

But the continued depression fanned the flames of demand, and in the summer of 1932 there took place an American phenomenon, whose precedents have their roots deep in the origins of our nation. Four hundred ex-doughboys, un-

employed and urgently in need of the bonus or any other financial assistance, started marching from Oregon on Washington, D. C., to demand the bonus payment. The "crusade in tatters" caught the imagination of the country, and by midsummer some 20,000 bonus marchers had poured into the nation's capital, finding shelter any which way, but mainly by creating a vast junkpile "Hooverville" on the mud flats of nearby Anacostia.

March for a bonus

THE Bonus Expeditionary Force spent much of its time pressuring Congress, and the remainder seeking out and excommunicating the Reds from within its ranks.

Despite the presence of the B. E. F., Congress failed to pass a bonus payment bill. Late in July, President Hoover called out the Army, which, led by General MacArthur, evicted the B. E. F. with tear gas and the flats of bayonets.

A rather vitiated version of the B. E. F. appeared in Washington two years later, but President Roosevelt, instead of letting the veterans fend for themselves, escorted them to quarters at old Fort Hunt, formerly a CCC camp, where they also were fed.

In Congress the fight for the bonus continued. The late Senator Key Pittman, Nevada's champion of silver, tried to obtain prepayment of the bonds with government profits made through purchase and coining of silver. But the log-rolling tactic failed.

Then, in 1935, out of the welter of proposed legislation, two bills stood out above the others. The Vinson bill, proposed by Kentucky's Representative Fred M. Vinson (now Chief Justice of the United States) and strongly endorsed by the Legion, proposed a straight cash payment. The Patman bill, initiated by Representative Wright Patman of Texas, would have paid off the bonus certificates in inflationary greenbacks.

The Vinson bonus bill failed to clear Congress, but the Patman bill went sailing through after Mariner S. Eccles, then governor of the Federal Reserve Board, and Jesse H. Jones, then chairman of the Reconstruction Finance Corporation, testified that the Patman payments would do no harm to the nation's financial status and might be a good thing by getting the bonus out of politics. President Roosevelt, however, vetoed the measure. But the pressure for im-

mediate payment was increasing. A Gallup poll taken in December of 1935 showed that 55 per cent of the voting population wanted to pay the veterans off.

At this point, the American Legion virtually ended opposition to the bonus payment plan by publishing the results of a poll among its membership to determine what the vets would do with their bonus payments. The poll indicated that for every \$1 the veteran planned to spend on clothing for himself, he would spend \$12.09 for payment of old bills; \$5.03 for building, repairing, and painting of homes; \$4.42 for buying homes, lots, or farms; \$2.58 for investment in his own business, \$2.49 for autos and trucks, \$2.26 for furniture and house furnishings, \$1.71 for clothing for the family, \$1.53 for savings, \$1.30 for insurance, \$.85 for farm implements, \$.76 for mechanical home equipment, \$.42 for purchase of stocks and bonds, \$.14 for self-education and \$1.55 for miscellaneous items.

Pressure was unified

THEN, in January of 1936, the heads of the three major veterans' organizations, American Legion, Veterans of Foreign Wars, and Disabled American Veterans, who had been warring on each other over the bonus and method of payment, got together on a single plan of action. The unified bill called for full payment in bonds cashable June 15, 1936. Both Patman and Vinson got behind the bill.

The new bill went through easily. President Roosevelt vetoed it, but two days later, on January 24, both chambers rode roughshod over the veto. For the service men of World War I the bonus fight was over.

But for the GIs of World War II the fight is only begun. The first important move toward the new bonus was made early in 1944, during hearings on the GI Bill of Rights. At the time spokesmen for the VFW and DAV urged instead similar bonus proposals calling for \$3 a day for domestic service, \$4 a day for overseas service, with a maximum of \$3,500 for home service, \$4,500 for foreign duty, plus \$500 for those who were wounded. Thus the maximum bonus would be \$5,000.

The bonus advocates argued, with some justice, that the GI Bill would not short-circuit a World War II bonus, but merely give some veterans a double bonus. Under the present GI Bill it is possible for a veteran to obtain \$6,220 in educational benefits, \$1,040 in jobless

benefits, for a total of \$7,260. Of this total, all but \$2,000 is in cash.

However, the American Legion insisted on the GI Bill of Rights, and the VFW swung to that point of view, leaving the bonus idea without strong organized support.

The bill calling for the largest bonus, a top of \$10,000, was introduced by Senator William Langer of North Dakota. Pennsylvania's Senator Joe Guffey advocated a year's pay to each ex-serviceman as a bonus.

A surprisingly modest and reasonable proposal offered at least a half dozen times without getting a nibble from any veterans group is that sponsored by Representative John Rankin of Mississippi, longtime chairman of the powerful House Veterans Committee. He's always wanted, and still does, a flat payment of \$20 a week for one year to all veterans as an outright bonus, rather than compensation of \$20 a week to jobless vets only—provided by the GI Bill.

And plumping for a bonus alongside Red-hating Mr. Rankin are his bitter foes of the extreme left.

Who's behind a bonus?

AMONG the strange bedfellows who advocate a bonus are the ultra-nationalist fringe. The Rev. Gerald L. K. Smith's Nationalist Veterans of World War II offers a \$1,000 bonus as bait. The Christian Veterans of America, organized by Frederick Kister, promises \$2,500. But Joe McWilliams, sedition trial defendant and self-styled "Fuehrer of Yorkville" offers the big prize, a bonus of \$7,800, under his Serviceman's Reconstruction Plan.

World War II is hardly over, but already some \$15,000,000,000 in benefits, including mustering out pay of \$200 to \$300, have been granted the ex-GIs. The latest Gallup poll reveals that these benefits satisfy most veterans, but that many still want a bonus in addition.

Somewhere along the line, sometime within the near future, there'll be a hue and cry for retrenchment—remember the Economy Act of 1933? Veterans' benefits will be trimmed, pruned—slashed. The recent tightening of GI Bill on-the-job training standards and the ceiling on job-trainee incomes was the first move in the direction of economy.

But the bonus marchers will keep on coming, and each measure of economy will only serve to hasten the day when Congress again votes for a bonus.



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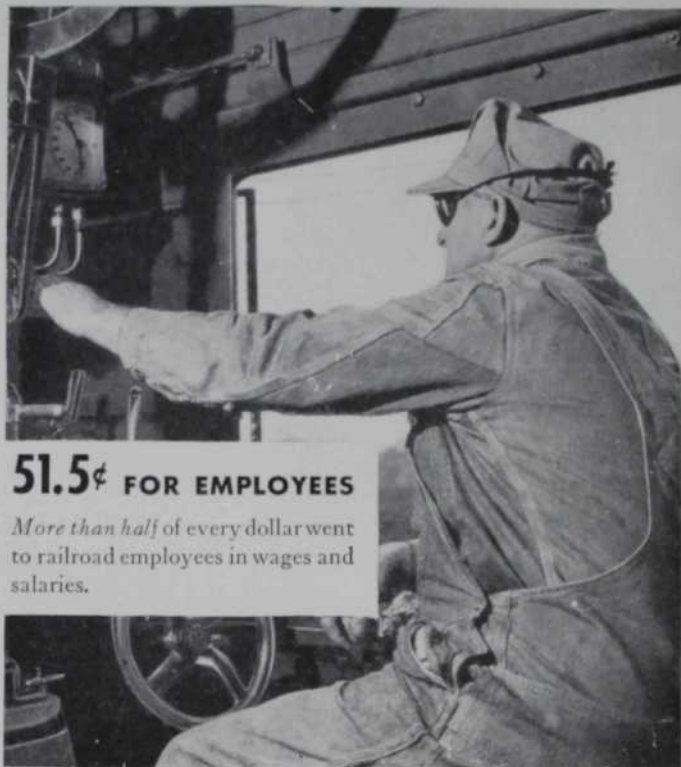
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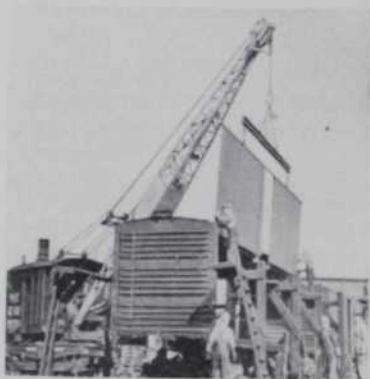
(A REPORT TO THE PEOPLE FOR 1946)

You, and all Americans, look to the railroads not only to take you places, but also to bring you things—food, clothing, fuel, and just about everything else for your home and your business. For this dependable service to 140 million people, and for hauling the heaviest peacetime traffic on record, the railroads received about 8 billion dollars in 1946. Let's see what became of this money.



51.5¢ FOR EMPLOYEES

More than half of every dollar went to railroad employees in wages and salaries.



33¢ FOR MATERIALS



Much of this 33¢ spent for materials, fuel, and other supplies was, in turn, paid by the railroad suppliers to *their* employees. So, directly or indirectly, by far the largest part of the railroad dollar goes to pay wages.

6.2¢ FOR TAXES



This part of the railroad dollar went to Federal, state, and local governments to be used—the same as your own taxes—to help maintain schools, courts, roads, police and fire protection, and for various other public services and institutions. None of this tax money is spent on railroad tracks or terminals.



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6.6¢



Most of this 6.6¢ was paid out in the form of interest to those people who lend money to the railroads—including those millions

of thrifty Americans who invest indirectly in the railroads through their insurance policies and savings accounts.

2.7¢ FOR IMPROVEMENTS AND OWNERS



And so after paying for wages, materials, taxes and necessary charges upon their obligations, railroads in 1946 had only 2.7¢ left out of each dollar they took in. Out of this they must pay for the improvements to keep railroad property abreast of public needs, before anything is available for dividends to their owners.



ASSOCIATION OF **AMERICAN RAILROADS** WASHINGTON 6, D. C.



IN PARTNERSHIP WITH ALL AMERICA

Get the Devil Out of Business

(Continued from page 40)

suit that is still pending have paid close to \$5,000,000. I have no idea how much of that \$5,000,000 would be in the 95 per cent bracket, but I'll bet Uncle Sam's tax loss was a lot higher than his direct cost.

But to get back to the question of Government's present approach to the correction of bad business habits. Can it be said that these methods have accomplished a good end?

Even the cultists admit their failure and excuse it on the ground that penalties are not high enough and there aren't enough cops.

Bigger fines, more policemen

THEY operate on the theory that, if 1,000,000 persons violate the mercantile law when the penalty on the statute books is \$5,000 and a year in jail, all we have to do is double the police, make it \$10,000—two years in jail, and we will cut the number of culprits in half. Thus by a sort of mathematical inverse ratio, we will progressively increase the penalties and the police until all business men are virtuous—

Or else in concentration camps!

Give the cultists more power! More money! More police! More government attorneys! More investigators!

Enforce, sue, enjoin, fine, imprison, restrict, forbid!

Verboten! Ach himmel!

Effective—I doubt it! But economic democracy—no! Of this I am sure!

Joseph Lalley, a journalist of wide experience and unusual versatility, in his "Faith and Force," hits the nail of truth on the head when he observes that real authority has its origin in a process of assent.

"It is not," he points out, "a beneficent by-product of the hangman's rope, the torturer's rack, the soldier's bayonet, the policeman's club; it is the creation of the collective imagination and of a general faith.

"I hold it a grievous fallacy to suppose that, where its spiritual premises have been impaired or destroyed, authority can be re-established solely by material compulsions."

In the light of this observation should I attempt to tell you the spiritual premises of authority by pointing out the material advantages? Should I detail how forcing

one respondent to obey the law by a cease and desist order costs the taxpayer thousands of dollars while a correction by industry-wide cooperation costs \$8 per person?

Should I dwell on the time element, showing that it takes an average of 27 months to litigate a cease and desist order against one company while the cooperative way takes an average of only ten months for a whole industry?

Those things weigh heavily in favor of a change, but they are not as important as the fundamental values involved, so let's leave the materialistic factors and consider what happens to the *esprit de corps* of a nation's business under a regime which attempts to impose virtue by force.

It is my thought that we had better discard the unenforceable than level its punishment in fitful doses, because an unequal application of the law creates bitterness in those who are caught and disdain in those who escape. Neither of these emotions in business men will help create a reign of law in industry nor will they protect the consumer.

Helpful to bureaucrats

BESIDES this, it can have an insidious effect on government officials—a relatively small group of persons who wield a tremendous power over our economy by reason of their positions. From the standpoint of bureaucracy, there are things to be said for the hit or miss style of prosecution, though I don't

hold any of them to be very attractive.

First, it's cheaper than indicting the nation.

Second, it permits a picturesque but superficial "get-tough-with-bigness" policy. The defendant can be chosen by the size of its pocket-book. When the Government sues big fellows, there is a general favorable reaction. It demonstrates that our public officials are neither venal nor under the hypnotic influence of bigness—at least, not the bigness of the company being sued. A David and Goliath feeling suffuses the populace.

Robin Hoods in government

THEN there is a certain poetic justice in it. At present the relationship between government and business has fallen into such a low estate and is so ill-defined that on some questions it takes years of litigation to find out what the law actually is. Perhaps the Government picks on the biggest because a wealthy merchant is able to withstand the financial burden of the suit. Like Robin Hood who took from the rich, this procedure has, at least, the blessing of antiquity.

The apologists for this system should don doublet and hose, and carry staves and bows. Then, as they walked along the highway of commerce, erecting gibbets and hanging the industrial peasants by lot, at least they would be dressed in the era of their ideas.

To top off all the arguments for the hit or miss method of filing suits, it may be said the vigorous prosecution of single cases with great notoriety gives an impression of stability—of effective coverage by Uncle Sam—of an all-pervading justice that hovers over commerce, quick to descend upon the isolated miscreant who dares violate the law merchant.

This totally erroneous impression exists because the American's inherent sense of fair play leads him to assume that, if the Government sues Jones for an unfair act in commerce, then Smith and Brown and all others must be innocent, else they, too, would have been sued.

This dramatizes the single suit affair into a Dutch boy holding his finger in a hole in the dike to save his nation from the ocean flood; when, as a matter of fact, this kind of prosecution is really like a Dutch boy holding his thumb against the waves on the beach. By that I don't mean that American business men are all wicked and



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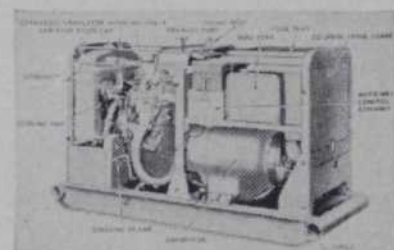


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that they present an irrepressible tide of evil-doing against the feeble efforts of the Government.

What I am trying to point up is that of all the reasons offered in defense of maintaining our present antiquated machinery for obtaining a reign of law in commerce, there isn't one that can stand the test of "equal justice under the law"—and most of them stink of hypocrisy.

I think Ralph Barton Perry, one of America's greatest philosophers, shows the way out of the morass into which the cultists have got us. In his "Puritanism and Democracy," Perry says:

"While the law does, it is true, invoke the sanction of force, it does so as a last resort and in exceptional cases. The efficacy of law depends on a pervasive and continuing law-abidingness, which consists of a common understanding and general acceptance, perpetually renewed. A 'reign of law' is a condition of society in which certain adjustments of man to man are rooted in the sentiment of the community and presupposed as the basis of reciprocal intercourse."

Simplified policing

THAT President Truman had this philosophy in mind could hardly be denied when back on May 17, 1946, he sent a special message to Congress, suggesting that the Federal Trade Commission change its procedure for curing current bad business habits in commerce.

Congress, prompt to see the need, appropriated funds to try out the new system.

The Federal Trade Commission unanimously adopted rules to carry it into effect, and, on November 18, I presided over the first conference called since the new program was made possible.

Now, when Joe Blow, the tomato tub manufacturer, writes us a letter complaining that Doaks, his competitor, engages in false advertising or gives discriminatory prices, or is unfair to the public or his competitor in any other way, we won't send a gang of agents to call on Doaks. We will stand back and take a look-see at the whole industry, because single complaints are often indicative of a general condition. Maybe Joe Blow isn't so faultless himself. You would be surprised to find out how many people overcompensate for their own failings by telling on someone else.

We will survey all tub manufacturers, not to sue them but to help

them. If we find they need guidance, they will be invited to a trade practice conference, to work out rules of conduct jointly and cooperatively for the immediate and simultaneous correction of the unfair practices in their industry.

Nobody will be sued. When a man goes home after such a conference, his young son coming down to breakfast won't greet him with, "Hello, Jailbird," as happened recently to one man I know who was named defendant in a government suit.

Now when a man goes home, he can pull his chair up to the dining table and say, "Well, I was called to Washington to help the Government out on some industry problems."

Such a man will have the respect of all, and he'll keep it.

There lies the basic principle of our new approach to the problem of obtaining a reign of law in commerce.

Industry helps write rules

WE must realize, however, that no rule can be drawn today that will cover the yet unborn evils in commerce tomorrow. What we are doing now in the way of formulating rules of fair play can be considered no more than the point of departure.

From now on, industry assumes its share of the burden.

I am not so naive as to believe that everybody who signs trade practice rules will toe the mark. There will still be some who want to ride the gravy train. But when 100 men sit down around the table and draw up and sign those rules, it's a safe bet that 97 per cent will play the game square. We can take care of the three per cent rebels, with equal and simultaneous action, if the 97 per cent take care of themselves.

Through this medium of cooperation, the authority of acceptance will be created in the collective mind of the business world. Then—and then only—can the authority of force be successfully imposed upon the rebellious few.

Undoubtedly there will be squeaks and birdies in the machine, but we are breaking away from a system that has never worked in the past and would never work in the future except under a tyranny.

We will no longer rely on witch burning as a means of exorcising the devil out of business. We will seek, instead, to organize the enlightened self-interest of the best in industry to cure their own faults.

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How Right Was Dr. Wirt?

(Continued from page 43)

Rainey changed his shouts of "Police! Police!" to "Let's forget it, it's silly." By that time, however, Representative Bulwinkle was in full voice, even charging on the House floor that Dr. Wirt had been arrested during the previous war as disloyal. Having congressional immunity, he neither retracted nor apologized for the falsehood, though ex-Senator James A. Reed of Missouri (d. Sept. 8, 1944) demanded it.

The House voted unanimously on March 29 for an investigation, the Rules Committee gave it right of way two days later and, on April 3, Speaker Rainey named the select committee. Representative Bulwinkle was chairman and the other majority members, all lawyers, were: John J. O'Connor of New York City and William W. Arnold of Robinson, Ill., rewarded in 1935 by a judicial appointment and now a judge on the Tax Court of the United States. The Republicans were Frederick R. Lehlbach of Newark, N. J. (d. Aug. 4, 1937), and Harold McGugin of Coffeyville, Kan. (d. March 7, 1946).

The chairman cracked his whip over what he promised would be a "circus." Dr. Wirt was ordered to be in Washington, April 10. His request for ten days' delay was refused. The House caucus room, largest auditorium on the Hill, was

reserved for the hearing. The "Standing Room Only" sign was hung out early and 200 reporters and photographers gave the hearing world-wide coverage.

Dr. Wirt appeared with ex-Senator Reed as counsel. He had been retained by Henry Pope, a Chicago hosiery manufacturer and trustee of President Roosevelt's Warm Springs (Ga.) Foundation. The chairman banned speeches or questions by the senator but permitted him to sit by his client. Dr. Wirt was limited to telling who had given him the information so heretical to the New Deal.

The professor explained that his suspicions of what was sprouting under the Brain Trusters' hats were confirmed at a Labor Day party September 1, 1933, at the home of Miss Alice P. Barrows in McLean, Va. Miss Barrows, also a veteran educator, was in Mr. Ickes' Interior Department. She later was executive secretary of the National Council of American-Soviet Friendship and active in other organizations opposed to an "imperialist" war when Stalin and Hitler were allies.

Besides Dr. Wirt, the other guests were Miss Hildegard Kneeland, a chief in the Agriculture Department's Bureau of Home Economics and also active in keep-America-out-of-war groups; Miss Mary Taylor, editor of the Agricul-

ture Department's *Consumer's Guide*; Laurence Todd, then and now chief Washington correspondent for Tass (Telegraph agency of the USSR); David Cushman Coyle, the New York architect then with PWA; and Robert C. Bruere, author, industrial specialist and chief adviser to the Cotton Textile Code of NRA.

Majority members of the committee tried to maneuver Dr. Wirt into identifying this sextet as the Brain Trust of the New Deal. He insisted they were merely lowly disciples.

The hidden brain trust

THE Department of Agriculture—of which Henry Wallace was then secretary, and Rexford Guy Tugwell, assistant secretary—was the hotbed for most of the budding New Deal ideas of the day. Miss Kneeland was cast by Dr. Wirt as chief expounder of the doctrines. Paul Porter, later the administrator of FCC and OPA, was then a promising young man in the Agriculture Department's publicity bureau.

"So many of our people are in the Government, some in key positions, and they're asking: 'Why not take over now?'" was a line Dr. Wirt quoted from Miss Barrows' party.

"Private business is logically compelled to disappear," was another. In the course of the conversation someone credited Gen. William I. Westervelt with quoting Frederic C. Howe (d. Aug. 3, 1940), his colleague in AAA, as asking: "Isn't there some way to stop feeding them (referring to those on relief) so we can move more swiftly to our objective?"

Robert D. Kohn, New York architect, and Prof. Milburn L. Wilson, still in the Agriculture Department, were quoted as in favor of decentralizing the cities.

Henry Wallace, Rexford Tugwell, Rainey, Howe, Wilson and Kohn were hailed by Dr. Wirt as chief apostles of the New Deal. Mr. McGugin moved to hear them as well as Ickes, Westervelt, Harry Hopkins (d. Jan. 29, 1946), Arthur Morgan and Lewis W. Douglas. He was overruled by a vote of three to two.

That week was open season for brain trust nominations. In addition to those named by Dr. Wirt, and others who nominated themselves, Louis M. Howe (d. Apr. 18, 1936), Prof. Raymond Moley, Judge Samuel I. Rosenman, Felix Frankfurter and others joined the "heard today, gone tomorrow" fraternity. Of the galaxy, only



Alice Barrows and Laurence Todd, chief Washington correspondent for Tass, as they appeared at the investigation of Wirt's charges

Frankfurter and Wilson remain on the Washington stage.

A week later, the committee returned to hear Miss Barrows' other guests. They pictured a weird party for always garrulous Washingtonians. Dr. Wirt, they said, did all the talking. Mr. Bruere even explained that Dr. Wirt was mistaken in thinking Miss Taylor nodded approval at Miss Kneeland's exposition of the new order. In the first place, he said, Miss Kneeland had not talked and Miss Taylor had dozed and was nodding in her sleep. The committee by the usual three to two vote, squelched any rebuttal.

Chairman Bulwinkle assured the House that nobody was plotting a revolution. Mr. McGugin scoffed at any Washington party where one person did all the talking and moved to continue the inquiry. His party was a minority in the House as he had been in the committee. Dr. Wirt was dropped like a hot ingot from a Gary steel mill.

He was not forgotten. Seven months later, Rose Schneiderman, president of the Women's Trade Union and only woman adviser to NRA, sued him for \$400,000 damages. She claimed that "Rose of Anarchy" in his speeches was intended for her and that it was libelous to say the New Deal harbored Brain Trusters or Communists. Miss Dorothy Kenyon was her lawyer. In the 1944 report of the House Committee on Un-American Activities, Rose received 20 mentions and Dorothy, 37.

Political persecution

THE party faithful in the Indiana legislature did their bit in 1937, with a law empowering mayors to remove superintendents of schools. To Gary, the now famous Dr. Wirt was as indispensable as its daily clouds of smoke. He still was superintendent when he laid down his pen for the last time, March 3, 1938, a month after the U. S. Supreme Court had scuttled the law.

Time moved on and in 1940, Representative O'Connor, by then an "ex," repented of his role as "prosecutor and inquisitor" when Dr. Wirt was before the committee. Mr. O'Connor, now a lawyer and publisher of *Washington Digest*, declared the "silent six" had met and rehearsed their denials of Dr. Wirt's story. He confessed that the New Deal was a cult in 1934, and many congressmen were the "Hon. Mr. Rubber Stamp." Mr. O'Connor had been purged in 1938, after the House Rules Committee of which he was chairman blocked the leg-

islation which Dr. Wirt said was coming.

More will be heard of Dr. Wirt in this session of Congress. At the last session, Representative Paul W. Shafer of Battle Creek, Mich., asked for an inquiry into the strange proceedings. The ruling majority was then the same as when Mr. McGugin of Kansas called in vain for more light.

What Dr. Wirt saw in the making was denounced then as fantastic. The record now shows how close he came to forecasting the future.

A few weeks after Dr. Wirt had been eased out of Washington, President Roosevelt was taking credit for making over the Government. That became the proudest boast of the Administration. Changes in faces and fancies were continuous, from humble heelers to Supreme Court justices.

The suggestion that Communists and their sympathizers were in the national capital was laughed off. Representative Bulwinkle informed the House: "We've had two great discoverers: Dr. Cook who discovered the North Pole, and Dr. Wirt who discovered Communists in the United States Government."

But Communists were there

IT was not long before Hitler and Stalin were allies and anyone could sit on the benches of Lafayette Park and "discover" live Communists picketing the White House across the street and denouncing President Roosevelt as a war monger. Later congressional investigations and reports by the Department of Justice proved that Dr. Wirt was seeing more than shadows under the administration bed. Even Mrs. Roosevelt regretfully declared that her communist friends had lied to her, and several newly elected congressmen have announced their intention of weeding out Communists as soon as they reach Washington this month.

Creating new agencies and even implementing international agreements by executive orders became a common practice. Congress protested at such usurpation of its rights and the Senate orated on its lost position as the sole treaty-making authority. Pacts with other governments were explained as agreements and not treaties.

The Commodity Credit Corporation had been created by an executive order on October 16, 1933, before Dr. Wirt rose over the horizon. Other federal corporations, most of them taking out papers in

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Delaware, followed until their number is now in hundreds. Some were authorized by organic law, others were born of executive orders to meet particular occasions.

NRA made an early start in fixing market quotas, while AAA told the farmer what he should plant and how much he should raise or plow under. Their health failed but other alphabetical offspring took their places. OPA's guiding hand was in every home and business.

Agencies fight each other

THOUGH agency heads change with autumn leaves and, like tumblebugs, one is on top today and under the mud ball tomorrow, Dr. Wirt did not imagine that they would multiply until in their cantankerous old age they would be kicking shins and pummeling each other.

The director of OPA announced the price ceiling on leather would continue and, within 24 hours, the director of reconversion decontrolled leather prices. In Chicago, the War Assets Administration leased the former \$170,000,000 Dodge war plant to a corporation to build automobiles. Six weeks later, the housing expediter leased the same plant to another concern to manufacture prefabricated houses. Adding to the confusion, RFC refused to match the house builder's \$36,000 cash ante with a \$52,000,000 government loan to start the business.

The Reconstruction Finance Corporation with eight subsidiary corporations in special fields to handle loans and mortgages to banks, industry and other private undertakings gives Government a dominating influence in business.

Clause W establishes a stranglehold on all borrowers. The Securities and Exchange Commission controls another field.

The subsidies to agriculture and industry which Dr. Wirt emphasized take many forms. Not so many years ago, even the word was shunned as indicating endowment of a favored interest at public expense. Instead of subsidizing ocean shipping to keep our flag afloat, the Post Office Department awarded juicy mail contracts and avoided the naughty word.

An agricultural subsidy is the bellwether for all subsidies. Everybody is a consumer of farm products and the subsidy does not show in the prices or in the taxes which the consumer pays, but it is there. Subsidies to keep producers happy sprouted strange branches. Not only were parity prices guaranteed to farmers but some were paid for not planting crops on acres which had not grown anything since Indians roamed the prairies. Variations were provided to encourage foreign exports, and restrictions and controls of business were eased by indirect subsidies.

When production was stalled by shortages of copper and lead, OPA would not change the price ceilings and the Metals Reserve Corporation imported 40,000 tons of copper at 16½ cents a pound and 24,000 tons of lead at 10¼ cents. It sold the metals on the open market at the ceiling prices of 14⅜ cents and 8¼ cents. The federal Treasury took a loss of \$1,700,000 and \$960,000 on the two deals. That was temporary relief for only one month.

Investigations and crackdowns, as Dr. Wirt predicted, kept financiers, business men and editors on their toes. An army of department

and agency press agents deluged the public with eulogies of those in office. A faithful chorus labelled all who differed as reactionaries or fascists and often as traitors.

Senator Hugo Black of Alabama was appointed to the Supreme Court after his investigation side-stepping the Bill of Rights. Senator Joseph C. O'Mahoney of Wyoming followed with a similar barrage against economic power. Thurman W. Arnold, also from Wyoming and a member of the same committee as well as an assistant attorney general, found criminal indictments more sensational than civil suits in discrediting business.

Roosevelt held on

THAT Roosevelt was the Kerensky of the revolution—the furor was so great that Kerensky's opinion was cabled from Paris—was one count in Dr. Wirt's soliloquy which did not come true. Pretenders to the throne fell by the wayside. Roosevelt held the scepter to the end.

Even that acquired a touch of humor. As explained by Professor Moley, who was present, George W. Christians of Chattanooga and Walter M. Higgins of the Associated Groups for Economic Liberty called on the President-elect at Warm Springs soon after the 1932 election. During the chat someone likened him to a Cromwell who had routed the economic royalists. Marvin H. McIntyre, a presidential secretary (d. Dec. 13, 1943), was so perturbed that he checked the visitors' records.

By lightly skipping a few centuries and jumping across Europe, Kerensky was substituted for Cromwell as the story passed through the Washington whispering gallery.

During the years, most of what Dr. Wirt saw dimly emerging was openly advocated as administration policy or became law or executive practice. Much of it is now headed for the discard but some of it will survive as part of government and a better way of American life. Looking back, it is clear that Dr. Wirt was attacked, not for questioning the merits of the changes, but for disclosing that they were in the making. A political daddy cannot permit an outsider to christen his brain child. Dr. Wirt was brushed off with a resounding haw haw from the mighty. In another capital, he'd have lost his head as well. But we'll hear more about him this year.



"Well, I guess that's all for today. Maybe if I come next Friday I can finish it"

An Old Fiber with a Future

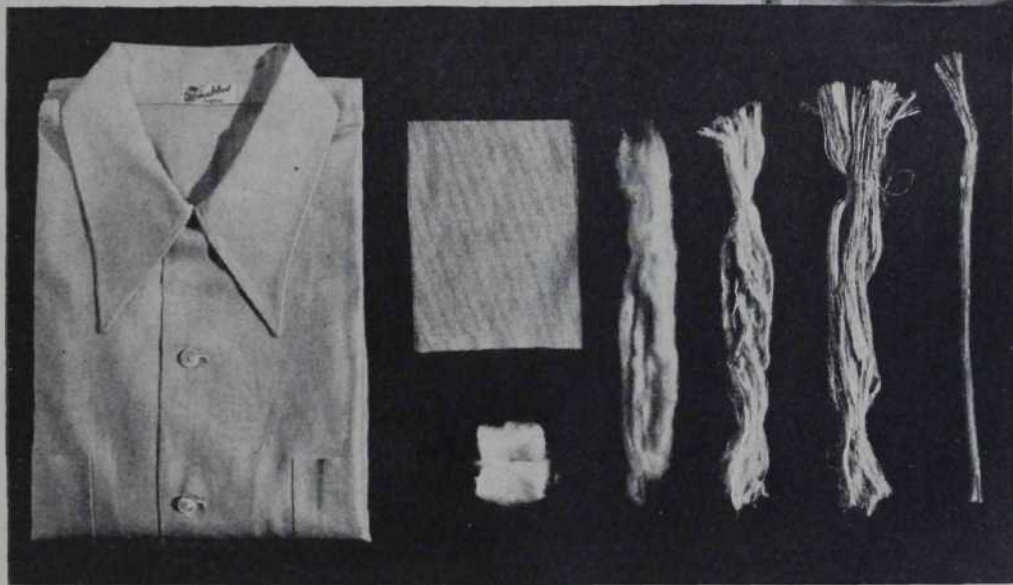
By ERIC MORRELL

THERE'S a good possibility that you will be wearing a suit made of ramie one of these days. It's the wonder cloth of the Orient



LOHR

Ramie is a natural for sports apparel, being cool in summer, light, and easy to launder



SEA ISLAND MILLS

From crude stalk to finished shirt takes seven steps. Science speeds the process

HOW would you like a suit that is light in weight, cool in summer, warm in winter, soft to your touch, as smooth in texture as a fine French cashmere and yet not likely to wear out in all the years you might use it?

I've had a suit like that. It wore for years. It was dry cleaned innumerable times and even tossed into the laundry that went through our ordinary washing machine. The older the suit got, the better the material felt—it just kept getting softer and silkier. It kept its shape. I didn't keep mine—otherwise I suppose I'd still be wearing it.

The suit was made of ramie.

You may never have heard of

ramie, but probably you've seen it. The old Welsbach inverted gas mantle was made of it. Ramie is said to be the oldest fiber used by man. It is the strongest vegetable fiber known; stronger wet than dry. It absorbs moisture and dries more quickly than cotton. It has high resistance to mildew, is almost unaffected by sea water, and has virtually no shrinkage. And, in addition, it dyes well. Its colors have unusual depth and brilliance.

There's a good possibility that within the next few seasons you'll be offered ramie when you look for fine fabrics—in suits, dresses and other apparel, in floor and furniture coverings, perhaps even in bandages and table linens.

Despite the obvious qualities of ramie and its long history of use as a fabric in ancient Egypt and in the Orient, it has failed so far to find a market in this country. This is due to the difficulty of preparing the fiber for spinning.

It's a matter of jawpower.

Most of the ramie being produced in the world today is grown in China. The fiber must be separated from the plant stalk, the gums and pectins that coat the fiber removed.

For centuries the Chinese have been processing the plant by chewing bits of the stalk, or laboriously separating and cleaning the fibers by hand.

That part of the crop not used

in China generally is exported in the separated, but not degummed, state in which it is known as China grass. In America's machine-age economy the processing by hand was impractical. The supply of American ramie was almost non-existent, so machines that could do the processing economically were not developed. Repeated attempts to establish a ramie industry in this country failed.

Meanwhile the industry flourished in the Far East. In 1936, Japan used 40,000,000 pounds of China grass, most of it imported from China. The fibers were used for sailcloth, fishing nets and other marine uses. Its success is indicated by Japan's China grass production, which rose from 3,300,000 pounds in 1937 to about 10,000,000 pounds in 1943.

In England, the Yorkshire Ramie Spinning Company has been producing ramie yarns on a limited scale for more than 40 years.

Ramie first was introduced in the United States in 1885, when Dr. George C. Shaeffer, then librarian of the Patent Office, transplanted a few plants from Java to the Botanical Gardens in Washington.

They attracted interest as a possible farm product, but it was not until the turn of the century that there came a flood of processing machine patents and the subsequent failure of these machines to turn out a commercially successful product.

Despite the failures there has been constant experiment that has kept in motion a small ramie production in this country.

The suit I mentioned earlier was made from American produced and processed ramie, as was the half-ramie, half-wool scarf I've worn for years.

Stands hard treatment

IN my own experiments with this scarf, incidentally, I've washed it, boiled it, taken it from boiling water and plunged it into cold water, all to see what effect such treatment would have. The only effect I've found is that the scarf is as good as it was eight years ago.

German action in cutting off the U. S. Navy's badly needed supply of Belgian flax for packing gave ramie a big chance in America.

After testing packings made of

ramie in lieu of flax, Rear Admiral T. A. Solberg reported highly satisfactory findings.

This experience created interest in ramie at the Johns-Manville Corporation which made the test packings for the Navy. Johns-Manville decided to continue its investigation. Since packing manufacture involves much textile equipment and many methods, its research reaches into the fabric field.

Other experiments are being conducted by Newport Industries, Inc. In cooperation with the United States Sugar Corporation, they are working on the production of ramie fiber as well as its processing. They are growing 1,000 acres of ramie and plan to put another 500 acres into production.

Newport used half a dozen small machines to separate the fiber from the stalk, and is replacing these with a larger model expected



"Here, pass among the customers and create a demand for our product"

to be capable of handling the production of 1,500 acres yielding three crops a year. The company also is planning a plant to dehydrate ramie tops and leaves for cattle feed, and to salvage and utilize as by-products the gums and pectins that coat the fibers.

Another type of separating machine has been developed by Sea Island Mills, Inc., which has been experimenting for several years with ramie for textiles. They have studied the planting, growing and harvesting of ramie on a 500 acre plantation, and the relation of these processes to the characteristics of the fiber in subsequent separating, degumming, spinning and weaving.

Their separator, or decorticator, as the machine is known in the trade, is built as a mobile unit for use in the harvested fields. The plan is to have such separators distributed so that growers having 75 acres or more of ramie may process their own stalks.

So far Sea Island has processed about 25 tons of fiber, most of it from its own plantings. Part of this output has been woven into fabrics which were made into garments and sold in stores in 18 large cities. Sea Island Mills is believed to be the only firm at present engaged in the commercial production of ramie fabrics in the United States.

An official of a large furniture store in Boston became enthused after trying out ramie fabrics.

"It would be wonderful for upholstery, rugs, bath mats, drapes and a lot of other things," he told me. "If we could be sure of getting an adequate range and supply of fabrics we would put in a complete floor of ramie."

If this Oriental cloth is to become widely used in this country, it must start at the beginning as an American product. High speed machine methods that lower costs must have uniform materials. The product of crude hand labor in the Far East lacks this required uniformity. So an American ramie industry must start at the farm where proper planting, cultivating and harvesting could produce the necessary quality of raw material. The plant, by the way, requires a warm climate, well-drained soil and moderate rainfall.

Among today's pioneers supplying researchers with decorticated ramie fiber is the Florida Ramie Products Company, Inc. A. C. Kidd, company president, has announced that the firm will expand its operations to cover the harvesting of 2,800 acres of ramie in 1947.

Others are growing, processing, spinning and fabricating ramie on a small but hopeful scale from Florida to California.

It may be that this development power will bring ramie into a competitive place on the American market.

I think it will. But watch out for that "may be," particularly if a man comes around offering you stock in a new ramie venture. Remember that millions already have been lost in earlier ramie ventures.

Reading for Pleasure or Profit...

"The Servile State"

By Hilaire Belloc

"A LANDMARK of political thought in this century," says Walter Lippmann of "The Servile State" (Henry Holt and Co., 257 4th Ave., New York; \$2.50). Trenchant and prophetic, this book cuts across the usual opinions, capitalist and socialist alike, to give a sharp new understanding of our age. First published in 1912, it was barely noticed through the rosy glasses of the period.

Hilaire Belloc maintains that the people are voluntarily returning to slavery. The anxieties of wage earners under the capitalist system of contract, he tells us, lead them to sacrifice freedom for security. The point is vital but seldom made: that safeguards for employes, such as the minimum wage, require them to accept an inferior status.

When workers surrender their lives to "liberal" social legislation, and to labor unions buttressed by government, they admit that they can't fight for themselves. Like slaves or children, they depend on laws which confirm their inferiority by defending it.

Belloc also provides an unusual account of the origin of capitalist society. Most historians say that modern production technique has tended to concentrate ownership in relatively few hands. But he insists that a wealthy oligarchy, already entrenched in England at the time of the industrial revolution, commandeered the new means of production and arbitrarily established the pattern of minority ownership of capital.

Otherwise, Belloc believes, property might be distributed more widely today, with freedom and security for all. Then we would not have to face the war which presently divides the world between capitalist and socialist, democrat and totalitarian.

"The Shore Dimly Seen"

By Ellis Gibbs Arnall

THE ex-governor of Georgia wishes to excise the evils which Belloc describes with a well-known in-

strument: decentralization. "The Shore Dimly Seen" (J. B. Lippincott Co., 227 South 6th St., Philadelphia; \$3) is a plea for the "colonial states" of South and West, a prophecy of greater wealth for all if they are allowed to mature the fruits of new independence.

In economics, Ellis Arnall wants to release these undernourished members of the Union from what he describes as an unnatural servitude to eastern business. In politics, he urges a more vigorous use of states' rights.

Certainly the government of Georgia was revitalized when Arnall stepped in. The State adopted a new constitution, reformed its prisons, cleaned up its discredited university system, renewed the fight against the Ku Klux Klan, abolished the poll tax.

However you feel about Arnall's position on such controversial issues as freight rates, his forceful mind and political future are both to be reckoned with. Above all, he is that rarity, a thoroughly educated man in politics.

"Kaputt"

By Curzio Malaparte

IN an excessive amount of war reporting there has been nothing quite like this. "Kaputt" (E. P. Dutton and Co., 300 4th Ave., New York; \$3.75) is an intimate gossipy view of the fascist bigwigs by a writer on their own side. It gives us vivid clues to that scarcely imaginable state of mind (the war's major mystery) in which these men set out to torture and kill the world.

Traveling Europe as an Italian war correspondent, Curzio Malaparte watched Rumanian soldiers enjoy a pogrom, sweated with Himmler in a Finnish steam bath, and plunged into torrid intrigues which swirled around Count Ciano at the height of power. Out of all his social life, the visits with Frank, German governor of Poland, are most revealing, and grotesque, to read about.

Frank, an excellent pianist, plays Chopin, then practices marksmanship, with a little boy in

the ghetto as his target. At dinner the top Nazis of Warsaw and their overdressed women start out hopefully on an elegant conversation about art and hunting, but soon return to the subject which obsesses them, the dying Jews, about whom they force innumerable jokes. Such people, you remind yourself, were human beings. And to dismiss them as a bad dream is to invite them back.

Malaparte, though he protests horror at his subject, was also a fair-weather Fascist. Yet, despite his politics, his vanity and the ornateness of his style, "Kaputt," for an American reader, is engrossing and unique.

"Hiroshima"

By John Hersey

THOSE who missed this story of six who survived the atom bomb, when it came out in *The New Yorker* and was later serialized in some newspapers, should be sure to get the book.

"Atom bomb" may suggest power politics or tedious editorials or simply a big satisfying explosion. But to embrace its true significance, the bomb's effect, imagination requires outside aid, of which some of the best in writing is "Hiroshima" (Alfred A. Knopf, 501 Madison Ave., New York; \$1.75).

John Hersey faithfully records the experience of six Hiroshima citizens after the moment of the noiseless flash. More and less wounded, they wandered the fuming, blazing, poisoned wreck of a city, among horrors which anyone who considers world affairs should have firmly in mind.

"The Saint Sees It Through"

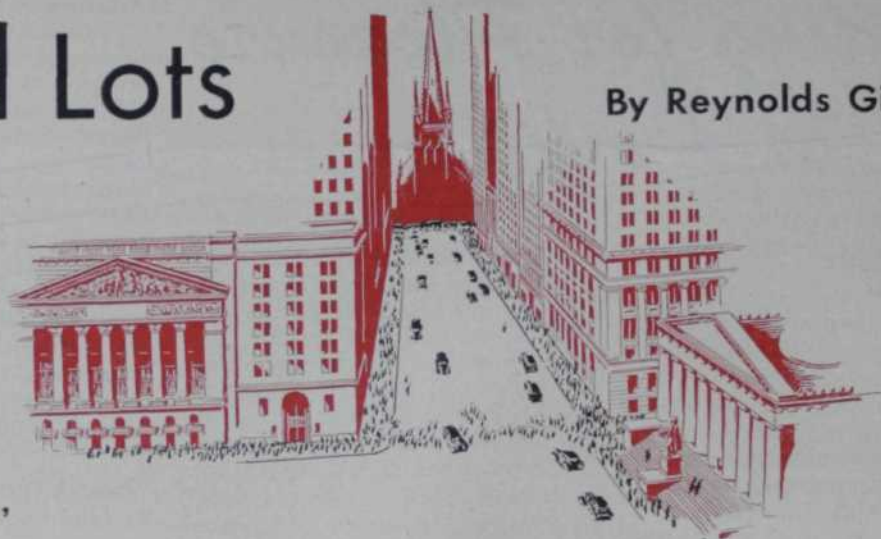
By Leslie Charteris

IF YOU admire the Saint—and thousands do—you will rejoice because, after three years, he's at it again, intrepid and vital as ever, in "The Saint Sees It Through" (Doubleday and Co., 14 West 49th St., New York; \$2).

Egged on this time by all-powerful Washington, the Saint runs rings around a dope ring, killing off, with his peculiar summary justice, a Park Avenue psychiatrist, a symbolist poet and a lady somewhat larger than Elsa Maxwell. In the course of the plot, a spotless lily springs from the surrounding mire directly into his arms, and Wolcott Gibbs, *The New Yorker* drama critic, makes a brief but startling appearance. For "Saint" fans, no recommendation is needed.—BART BARBER

Odd Lots

By Reynolds Girdler



"We Wuz Robbed"

THE recent sharp break in the stock market—like all such debacles—came out of a clear sky. As prices tumbled, the Johnny-come-latelys to the market place uttered the usual yelps of surprise. But so far at least, this most recent ending (or interruption) of a benevolent bull market has differed from its 1929 and 1937 predecessors in one important particular: nobody has cried out for a scapegoat. In 1929, of course, the bankers were blamed, and the wrath visited upon them was awful.

In 1937 it was the SEC itself that caught most of the blame for market losses.

But in these curiously enlightened times, the setback seems to be accepted as just one of those things. A few blame the labor unions, ascribing the break to labor's continued demands for higher wages.

This absence of squawks is both a surprise and a relief to Wall Street.

It is no secret that the late—and spectacular—phase of the market brought men and women to the board rooms who had no business there. Not only were they financially unsophisticated but many of them had little or no real business experience. Their money was the rawest kind of new war money, heaped up from time and a half and double time. But they seem to be taking their stock market reversals with much the same shoulder-shrugging attitude they assume at the race track.

Of course, it may be too early to note this philosophical attitude as an accomplished fact. So far at least, losses have been largely of the paper variety. Original capital has not as yet been touched. If the decline should continue and dig

into war savings, the cry of "we wuz robbed" may again resound through the land.

★ ★ ★ ★ ★

The Old Men

WALL STREET itself has taken the break in its stride. In contrast to other days, few underwriting and distributing houses were caught with heavy inventories of "undigested securities." This was not all a matter of luck. Major underwriting and brokerage firms are headed today by men who have been seasoned in the most rigorous school of experience in U. S. financial history. In general, these same men headed Wall Street's houses in 1929. They survived that crash. Equally significant, they survived the wracking deflationary years that followed.

Wall Street knows today as it did not know in its 1929 innocence that securities can go down as well as up. That knowledge has been pounded home again and again and again. Brokers and bankers alike truly understand the meaning of Dow's metaphor "the tree doesn't grow to the sky."

Through 1945 and the first half of 1946, a goodly section of Wall Street watched the rise with skeptical eyes. Indeed, many stood by in amazement as newcomers blithely reaped profits from securities that already had advanced two and three times their 1942 prices. Just when it began to look as though it might pay to be ignorant, the peak arrived. The old-timers, who had kept themselves, their firms and their customers hedged against just such a break, thereupon went back to their knitting.

The Young Men

BACK in the deplorable 1920's (which now don't seem too bad, do they?) it was a poor college half-back who wasn't earmarked for the bond business. In those days all good college boys went to the Guaranty Company, or Harris, Forbes, or Lee, Higginson, or some other of the old line bond houses that maintained training schools for bond salesmen. Bravely arrayed in their Brooks Brothers clothes, they served their novitiate at weekly salaries that a stenographer would scorn today. Scott Fitzgerald knew them well and pictured them accurately. In "The Great Gatsby" he showed them at one of Gatsby's big Long Island parties "agonizingly aware" of the presence of so much money that remained indifferent to the charms of their firm's offerings. In those days rents were fairly cheap in Greenwich Village, and there the young men flocked to live on their meager pay. A census taker, or someone equally inquisitive, once polled MacDougal Alley, found more bond salesmen living there than poets or painters.

Then came 1929. One of its consequences was to drive young men from Wall Street. They disappeared like Maine deer at hunting season. During the 1930's, young men all took government jobs, or, fired by the new enthusiasm, became labor organizers.

One of the partners of Kidder, Peabody took a month off around 1935 to tour the eastern colleges looking for likely prospects. He saw hundreds of promising undergraduates and evangelized them on the opportunities offered by the securities business in general and his firm in particular. Of the hun-



Brown Bros. photo of first National Automobile Show, 1900

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dreds he interviewed, only two showed any interest at all.

The Bond Club of New York, composed of the street's business elite (membership depends more on business achievement than on the old school tie) recently looked at itself in the mirror and was dismayed at its aging image. Its average member was more than 50, as is the average member of the Investment Bankers Association.

Now, however, the young men are returning to bond selling. One firm—Merrill, Lynch, Pierce, Fenner & Beane already has established a training school even more elaborate than those of the 1920's. Its avowed purpose is to attract young blood to the securities business. Candidates for the school are recruited from returned veterans, graduating classes of colleges and universities and from among qualified individuals recommended by the firm's partners.

A minimum of 20 men was first chosen for each class lasting six months. For the first three months the young men go to school all day—and are paid generously for doing it. Single men get \$160 to \$250 a month, depending on their previous experience. Pay for married men ranges from \$200 to \$325.

After three months of studying such academic courses as elementary accounting, corporation finance, security analysis and money and banking, the trainees move to on-the-job training. Here they are taught their particular interim jobs by the men actually performing the work. At graduation time those who successfully complete the course are given a ten per cent increase in pay and assigned to regular positions.

So far the firm has graduated 51 men from its first two classes. All were service men with no previous Wall Street experience. Many, of course, had never had any jobs at all. But one chap had been budget director of the State of Oklahoma, another had come from an air line, still another had had a job in the city government of Durham, N. C.

The school is the special project of young Alf Beane, son of one of the most dynamic, lovable brokers ever to develop a nationally known brokerage business. Young Alf, as home town New Orleans still refers to him, is proudest of his graduates' high scholastic ratings. His first two groups averaged 97.65 per cent in the examinations which the Stock Exchange requires of all who aspire to be registered representatives, which is the modern euphemism for customers' men. Thirty-four states are represented

among the young men selected for the classes already held. For the fourth class the firm received 1,000 applications, and selected 35.

★ ★ ★ ★ ★

New Crystal Ball

WALL STREET is eternally concerned with the future. And the future, as Wall Street now knows, is unpredictable. But when anyone emerges with an indicator of trouble ahead, our statisticians and market analysts leap upon it to examine its validity. Latest of such means of determining turning points is the index of new issue receptivity worked out by Shields & Co., and now known as the Shields Index. The theory is simple. It is based on the accepted fact that, at the final stage of a bull market, there has always been a large number of new issues of securities. There are sound reasons for this. In the first place, the high level of business activity causes corporations to raise capital by selling new securities to finance the high volume of their business. Second, the high level of stock prices induces private owners of companies to sell part of their ownership to the public because they can get high prices for their equity interest.

According to the Shields theory, when listed stock prices are continuing to advance, and when new offerings get sticky and slow, that is the danger signal. When the point is reached where new issues cannot be sold successfully, then a reversal of the trend is imminent.

Courageously the firm has tossed its theory out to others for analysis, and its premises are currently being minutely shredded by a large number of skeptical analysts. Which is all to the good. When Shields & Co. first announced the idea, it was deluged with inquiries from a public obviously looking for some easy way to forecast the future. And no one knows better than Shields & Co. that no foolproof method now exists or, for that matter, ever will exist.

★ ★ ★ ★ ★

Coincidence

THE hat check attendant at the Stock Exchange luncheon club has a phenomenal memory. He gives out no checks—merely takes your hat—and when you return, hands the right one to you. Lindy's restaurant also has a similar miracle worker. There's no moral to this little story, except to point out that all the brains are not to be found on Broadway.

Bookkeeping on Wheels



SINCE the end of the war, veterans have been putting their hands—and their money—into a multitude of business ventures in the hope of making a living. Some of these ventures have been weird and fantastic, others shrewd and carefully thought out. This story falls in the latter category.

Fred E. Shepard of Madison, Wis., has developed a motorized accounting service. He has rigged up a specially built car which is nothing more than a little bookkeeping office-on-wheels, with everything necessary to handle the ledger work of any modest-sized business.

His office contains the usual desk, typewriter, and bookkeeping and adding machines. Light and heat facilities have been provided for days when needed.

Shepard drives up before a business man's office whose records he has arranged to handle, picks up the books, returns to his shop-on-wheels and starts to work. Entries are made, accounts balanced and the up-to-date records returned to the client's office. This done, he drives off to his next client.

The number of calls the Madison traveling accountant may make depends on the terms of the contract he may have negotiated with the individual customer.

Shepard hopes eventually to expand his service to the point where a fleet of offices-on-wheels will be required. He then would offer, in addition to his regular bookkeeping and accounting service, aid in such matters as the preparation of the numerous government reports and forms received by business men today.

He is well fitted to realize his ambitions, having had a dozen years of bookkeeping and accounting experience. This includes six years as an examiner with the Wisconsin state banking department prior to entering the military service.—C. J. PAPARA



*"More
customers, sir?"*

"Yes indeed, sir, it was a wonderful party. But if you'll pardon my suggesting it, sir, I'd say that a few more customers wouldn't hurt. They'll do much to ease the change from a sellers' market.

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"And they may become harder and harder to get.

"More customers, sir?"



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local telephone business office.*

On the Lighter Side of the Capital



This life is like that

THE SENATOR said the next two congressional years would likely resemble the opening of the deer season in the Adirondacks.

"Shooting at everything that moves."

He recalls that during his first season's safari through the dairy country of upper New York he shot twice at an old bull bellowing in a farm yard. This may prove to have been a valuable experience, because some of the old congressional bulls will start the echoes during the next two years;

"It may have learned me," said the Senator—the verb "learned" is used in its familiar or barber-shop sound effects—"to make sure it ain't my bull before I shoot."

These are not pre-mourning statements by the old gentleman. He hopes there will be "a hell of a battle." That is the American way of life, of which we have been hearing a good deal lately from orators who want to switch us away from buckwheats and syrup in the morning toward maybe crepes suzette and vodka. Congress, he said, makes the most and biggest mistakes when a majority of its members are fired with the same holy purpose. When members of the House begin choking each other in the middle aisle you can be reasonably certain some sound legislation is on the fire.

The rosy glow is fading

HE BELIEVES some really good legislation will come out of the next two years. Anyhow he hopes it will.



There are so many men on both sides of the political fence who really want to do something for a bedevilled country that he thinks the prospects are good;

"Right after the election both sides were wrong."

Every one talked of the "landslide." Republicans thought they

could go down to the creek and catch a mess of Democrats any morning. Some Democrats were fixing to go live in the swamps. Now the colder-headed see it was not a landslide at all. It was more like a stance.

"The party that hollers at the wrong time during the next two years will miss the boat in 1948. No one can say now what the voters will do then."

Leaders are walking softly

THERE is some evidence that a real labor policy may be worked out in the course of the next two years. The leaders on one side are as worried as those on the other. There is an informal understanding, as nonpartisan as an agreement that frost is on the way, that something must be done to check the John L. Lewis kind of labor leadership.

"Also," said the Senator, "whatever is done must be fair to labor."

His fear is that both houses of Congress will get involved in personal and factional fighting. But he is not really worried.

Small trumpets are loudest

THE CONGRESSMEN who make the loudest noise and often get on the first page are not the ones who will control congressional policy. In the Senate, Hawkes of New Jersey has been a manufacturer all his life and has always gotten along with labor. He talks across the table. Taft of Ohio will likely head the Labor Committee. He has never shown prejudice in dealing with labor problems. Wayne Morse of Oregon is listed as a radical in most books. In fact he has arbitrated many labor disputes and his rulings have always been accepted. Saltonstall and Bricker as governors are on the record as fair. In the House, Martin and McCormack and Rayburn, to name only three, are rated as "fair" men by both sides. So is Clarence Brown of Ohio, who has been dealing with labor practically all his life, as the editor and owner of one of the old-

est newspapers in the United States. The lists in both houses might be indefinitely extended.

Was this a simper?

"WHO'S WHO in Labor" has just been published. It includes biographies of every labor leader big enough to look over the counter, with full professional and personal details. The story of John L. Lewis is one of the shortest. Just five lines, in fact. All biographies are authentic and authorized.

Query:

Was he being coy when he wrote it;

Or was it a challenge?

"Every one knows who I am."



Drowning of the archives

THE BOSS men in the National Archives establishment are looking as wan as early settlers in an Indian country. The N.A. building is a handsome edifice on Pennsylvania Avenue. It was erected a few years ago, when an inspired Congress gave money to rescue priceless documents from barns and cellars. It is beyond doubt the finest building of its kind and in its collection of manuscripts the authentic history of the republic may be traced.

Now the OPA has moved in.

It's all very well to say the OPA is dead. Its mourners even held a wake for it, with presumably soft drinks and the meats which could not have been obtained while it was active. But thousands of tons of OPA documents are to be micro-filmed and conferred on Archives, and an OPA sifting group has been set up which should provide warm offices for the favored at least until 1948.

The idea is that then the country may call for a fresh deck. In the meantime Archives is being suffocated under tripe.

And in the meantime—

THE JOB-WANTERS are in action. No one denies they have a right to be. Now and then a job-holder who feels his desk inexorably slipping away cries that the spoils system is murdering him or someone who is welded to a job speaks heartily of the beauties of Civil Service.

But, on the whole, the boys and girls seem resigned.

After all the District has been a

Dust Bowl for Republicans for 14 years or thereabouts. As Mr. Brown of Ohio has said, with zeal in his eyes:

"Now the other guys can eat gravel."

Forecast for the Eightieth

SOME OF the experts say that:

The 80th Congress will not enact a law providing for one-year training of the young people. It smells of conscription and Americans do not like that word.

The military forces will not be consolidated. The Army's argument in favor is very good, but the Navy's admirals are more impressive.

There will be a reduction in income taxes.

Federal expenditures will be cut. Army and Navy spending money will be whittled down to the danger level. Relief spending in Europe will be screened carefully. The taxpayers are not as emotional as they used to be. American needs will be given a kind of fifth class option on American money. Probing will be practically continuous. Public power projects will not be in favor.

A blow at bureaucracy?

CHAIRMAN-TO-BE Allen of the House Committee on Rules has come up with a brand new idea. If anything comes of it the entrenched bureaucrats of Washington will have been practically ruined. Allen would have a law passed requiring the bureaucrats to obtain the consent of the appropriate committee of Congress before issuing a decree.

The rule has been for the bureau chief to issue the decree, put it in effect, create a swarm of precedents and interbureau judgments and then ask Congress what, if anything, can be done about it. If Allen gets away with it he will have cleaned up the bureaucratic mess with one swipe of his mop.

In any case he will learn a lot about the tensile strength of bureaucracy.

By way of farewell

ALLEN replaces Adolph Sabath of Chicago as chief of the Rules Committee. Sabath has been the toughest boss ever known in the House. Now and then his committee got away from him, but not often. When it did he just sat it out. Members roared against Adolph on the

floor and the 80 year old veteran adjusted his earplugs and read a good book. Just for the record his Chicago district is the smallest one in area in the United States.

May fence an old field

FORMER Secretary of the Treasury Morgenthau has 900 bound volumes of notes and reflections recorded during his official life. He proposes to write his memoirs. He'd best make it snappy—

There are members of Congress who may interfere.

Every other statesman in the past 30 years has done the same thing, of course. But the new idea is that, while no power on earth can prevent a man who has been in office from telling his story, the man who is still in office has no legal or moral right to use government stenos and paper for the recording of a purely personal history. Something may come of it.

Which leads to this

REPRESENTATIVE John Taber of New York—the man with a voice that sounds like a saw hitting a knot—proposes to clear out the Government's so-called "informational services." They have been in the recent past instruments of propaganda more than of information. A Mr. Hickes, for example, would never confine himself to mere facts when he could so readily call names. And it is true, as Mr. Taber has charged, that government press releases save Washington correspondents many a weary mile:

"The reporters ought to go out and dig for their stories."

In rebuttal it is argued that they do dig. They fill the wastebaskets with the cartloads of junk the press agents issue, but here and there a gem catches the reportorial eye and the inquiry begins.

Galaxy of green lights

IT WOULD be a grand idea to shake 'em up. There is probably not an activity in all the Government that would not be the better off for an inquiry armed with a sharp stick. The practical objection is that so many inquirers would be needed that a vested interest would be set up and we'd never be rid of it. Then some more investigators would be called in to investigate the investigators. Like the layers of fleas—

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Austin, Texas	1044	1567	1183	1731
St. Louis	617	907	821	1059
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They look good enough to eat in

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